SWISS PRIME SITE

FINANCE

REPORT 2022

Finance

Reporting structure
Our stakeholder-oriented 2022 reporting consists of the online report and other stock exchange-related chapters as PDF downloads, as well as the printed annual magazine «Review 2022». In this way, we create added multimedia value.

Selected group key figures

Key financial figures	in	01.01.–31.12.2021 or 31.12.2021	01.01.–31.12.2022 or 31.12.2022	Change in %
Rental income from properties	CHF m	426.7	431.3	1.1
EPRA like-for-like change relative	%	1.3	1.9	37.3
Income from real estate developments	CHF m	52.0	9.1	–82.4
Income from asset management	CHF m	18.2	52.0	185.6
Income from real estate services	CHF m	119.4	125.6	5.1
Income from retail	CHF m	119.5	132.1	10.5
Total operating income	CHF m	749.5	774.4	3.3
Revaluation of investment properties, net	CHF m	301.9	169.7	–43.8
Result from investment property sales, net	CHF m	39.9	50.9	27.5
Operating result before depreciation and amortisation (EBITDA)	CHF m	730.0	618.4	–15.3
Operating result (EBIT)	CHF m	706.7	559.4	–20.9
Profit	CHF m	498.9	404.4	–18.9
Return on equity (ROE)	%	8.0	6.2	–22.5
Return on invested capital (ROIC)	%	4.3	3.3	–23.3
Earnings per share (EPS)	CHF	6.57	5.27	–19.8
Funds from operations per share (FFO I)	CHF	4.01	4.26	6.2
Financial figures excluding revaluations and all deferred taxes				
Operating result before depreciation and amortisation (EBITDA)	CHF m	428.1	448.6	4.8
Operating result (EBIT)	CHF m	404.8	389.6	–3.8
Profit	CHF m	293.7	300.6	2.4
Return on equity (ROE)	%	4.8	4.7	–2.1
Return on invested capital (ROIC)	%	2.8	2.6	–7.1
Earnings per share (EPS)	CHF	3.87	3.92	1.3
Key balance sheet figures				
Shareholders´ equity	CHF m	6 409.7	6 569.3	2.5
Equity ratio	%	47.5	47.7	0.4
Liabilities	CHF m	7 089.7	7 201.9	1.6
Loan-to-value ratio of property portfolio (LTV)	%	40.2	38.9	–3.2
NAV before deferred taxes per share[1]	CHF	101.22	102.96	1.7
NAV after deferred taxes per share[1]	CHF	84.37	85.64	1.5
EPRA NTA per share	CHF	100.93	102.69	1.7
Real estate portfolio				
Fair value of real estate portfolio	CHF m	12 793.5	13 087.7	2.3
of which projects/development properties	CHF m	1 006.9	1 117.3	11.0
Number of properties	number	184	176	–4.3
Rental floor space	m^2	1 677 027	1 653 456	–1.4
Vacancy rate	%	4.6	4.3	–6.5
Average discount rate	%	2.75	2.69	–2.2
Net property yield	%	3.2	3.1	–3.1
Employees				
Number of employees as at balance sheet date	persons	1 667	1 779	6.7
Full-time equivalents as at balance sheet date	FTE	1 474	1 567	6.3

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year's figures are presented in accordance with IFRS.

[1] Services segment (real estate-related business fields) included at book values and not at fair values

Consolidated financial statements

Consolidated income statement

in CHF 1 000	Notes	01.01.– 31.12.2021	01.01.– 31.12.2022
Rental income from properties	4	426 692	431 324
Income from sale of trading properties	4	–	15 702
Income from real estate developments	4	51 964	9 132
Income from asset management	4	18 215	52 016
Income from real estate services	4	119 426	125 562
Income from retail	4	119 540	132 124
Other operating income	4	13 666	8 566
Operating income		**749 503**	**774 426**
Revaluation of investment properties, net	**5.2**	**301 882**	**169 739**
Result from investments in associates		**909**	**2 540**
Result from investment property sales, net	**5.3**	**39 916**	**50 877**
Real estate costs	5.4	–52 702	–55 760
Cost of trading properties sold		–	–13 616
Cost of real estate developments		–33 377	–8 051
Cost of goods sold		–63 726	–75 219
Personnel costs	7.1	–176 889	–189 415
Other operating expenses	7.2	–43 945	–51 321
Depreciation, amortisation and impairment		–23 233	–59 013
Capitalised own services		8 379	14 167
Operating expenses		**–385 493**	**–438 228**
Operating result (EBIT)		**706 717**	**559 354**
Financial expenses	6.2	–75 807	–45 217
Financial income	6.2	2 687	485
Profit before income taxes		**633 597**	**514 622**
Income taxes	7.3	–134 705	–110 193
Profit attributable to shareholders of Swiss Prime Site AG		**498 892**	**404 429**
Earnings per share (EPS), in CHF	**3.1**	**6.57**	**5.27**
Diluted earnings per share, in CHF	**3.1**	**6.17**	**4.97**

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year's figures are presented in accordance with IFRS. Further information can be found in note 2.4 «Conversion to IFRS».

The notes form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

in CHF 1 000	Notes	01.01.–31.12.2021	01.01.–31.12.2022
Profit		**498 892**	**404 429**
Revaluation of owner-occupied properties	5.2	14 954	9 489
Deferred taxes on revaluation of owner-occupied properties		–2 946	–1 870
Remeasurement of net defined benefit assets	9.7	22 090	–74 441
Deferred taxes on remeasurement of net defined benefit assets		–4 417	14 888
Items that will not be reclassified subsequently to profit or loss		**29 681**	**–51 934**
Items that will be reclassified subsequently to profit or loss		**–**	**–**
Other comprehensive income after income taxes		**29 681**	**–51 934**
Comprehensive income attributable to shareholders of Swiss Prime Site AG		**528 573**	**352 495**

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year's figures are presented in accordance with IFRS. Further information can be found in note 2.4 «Conversion to IFRS».

The notes form an integral part of the consolidated financial statements.

Consolidated balance sheet

in CHF 1 000	Notes	01.01.2021	31.12.2021	31.12.2022
Assets				
Cash		142 750	114 656	21 201
Securities		602	1 351	1 130
Accounts receivable	9.1	56 748	39 349	42 659
Other current receivables		5 098	6 268	2 638
Current income tax assets		13 151	3 868	3 731
Inventories	9.2	30 786	33 263	28 004
Real estate developments		23 925	–	–
Trading properties	5.2	–	53 466	73 959
Accrued income and prepaid expenses		19 959	27 141	39 816
Assets held for sale	5.2	216 401	250 124	109 073
Total current assets		**509 420**	**529 486**	**322 211**
Net defined benefit assets	9.7	59 648	80 239	5 752
Non-current financial assets		4 060	4 285	9 501
Investments in associates		51 487	50 800	53 948
Investment properties	5.2	11 826 478	12 131 001	12 587 234
Owner-occupied properties	5.2	521 437	597 611	572 645
Tangible assets	9.3	25 956	23 620	3 892
Right-of-use assets	9.4	48 944	43 132	30 737
Goodwill	9.5	–	–	152 849
Intangible assets	9.3	25 450	32 243	32 267
Deferred income tax assets	7.3	5 404	6 919	186
Total non-current assets		**12 568 864**	**12 969 850**	**13 449 011**
Total assets		**13 078 284**	**13 499 336**	**13 771 222**
Liabilities and shareholders’ equity				
Accounts payable		8 436	25 297	43 641
Current financial liabilities	6.1	1 346 369	14 519	355 867
Other current liabilities		114 996	129 937	110 145
Real estate developments		4 742	–	–
Advance payments		29 319	30 984	31 080
Current income tax liabilities		21 159	36 182	44 375
Accrued expenses	9.6	134 890	157 484	138 940
Total current liabilities		**1 659 911**	**394 403**	**724 048**
Non-current financial liabilities	6.1	4 108 572	5 415 515	5 149 557
Deferred tax liabilities	7.3	1 174 214	1 279 736	1 328 320
Net defined benefit liabilities	9.7	151	–	–
Total non-current liabilities		**5 282 937**	**6 695 251**	**6 477 877**
Total liabilities		**6 942 848**	**7 089 654**	**7 201 925**
Share capital	6.4	1 162 347	1 162 347	153 437
Capital reserves	6.4	177 198	50 016	995 605
Treasury shares	6.4	– 161	– 58	– 1 374
Revaluation reserves		–	12 008	19 627
Retained earnings		4 796 052	5 185 369	5 402 002
Shareholders’ equity attributable to shareholders of Swiss Prime Site AG		**6 135 436**	**6 409 682**	**6 569 297**
Total liabilities and shareholders’ equity		**13 078 284**	**13 499 336**	**13 771 222**

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year’s figures are presented in accordance with IFRS. Further information can be found in note 2.4 «Conversion to IFRS».

The notes form an integral part of the consolidated financial statements.

Consolidated cash flow statement

in CHF 1 000	Notes	01.01.– 31.12.2021	01.01.– 31.12.2022
Profit		**498 892**	**404 429**
Depreciation, amortisation and impairment		23 233	59 013
Revaluation of investment properties, net	5.2	–301 882	–169 739
Result from investment property sales, net	5.3	–39 916	–50 877
Result from investments in associates		–909	–2 540
Other non-cash items affecting net income		2 021	3 544
Financial expenses	6.2	75 807	45 217
Financial income	6.2	–2 687	–485
Income tax expenses	7.3	134 705	110 193
Change in accounts receivable		17 399	13 696
Change in inventories and real estate developments		16 706	152
Change in trading properties		–	–3 241
Change in net defined benefit assets		1 348	–2 029
Change in other receivables and accrued income and prepaid expenses		–6 753	389
Change in accounts payable		16 956	18 221
Change in other current liabilities and accrued expenses		20 616	–22 932
Income tax payments		–13 153	–38 160
Cash flow from operating activities		**442 383**	**364 851**
Investments in investment properties		–274 422	–378 777
Divestments of investment properties		186 295	302 974
Investments in owner-occupied properties	5.2	–2 224	–2 863
Investments in tangible assets	9.3	–5 064	–4 012
Divestments of tangible assets	9.3	–	128
Acquisitions of group companies, less acquired cash	9.10	–	–118 732
Investments in financial investments and shares in associated companies		–2 436	–9 383
Divestments of financial investments and shares in associated companies		2 970	1 795
Investments in intangible assets	9.3	–15 774	–7 446
Interest payments received		228	153
Dividends received		1 709	1 883
Cash flow from investing activities		**–108 718**	**–214 280**
Distribution to shareholders		–254 496	–256 975
Purchase of treasury shares	6.4	–2 904	–3 088
Issue of bonds	6.1	449 878	–
Redemption of bond	6.1	–300 000	–
Issuance of financial liabilities	6.1	1 804 503	472 000
Repayment of financial liabilities	6.1	–1 980 487	–412 062
Interest paid		–78 253	–43 179
Cost capital increase and nominal value reduction		–	–722
Cash flow from financing activities		**–361 759**	**–244 026**
Change in cash		**–28 094**	**–93 455**
Cash at beginning of period		142 750	114 656
Cash at end of period		**114 656**	**21 201**

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year's figures are presented in accordance with IFRS. Further information can be found in note 2.4 «Conversion to IFRS».

The notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in shareholders' equity

in CHF 1 000	Notes	Share capital	Capital reserves	Treasury shares	Revaluation reserves	Retained earnings	Total shareholders´ equity
Total as at 31.12.2020 (as reported according to FER)		1 162 347	177 198	– 161	–	4 746 245	6 085 629
Reconciliation from Swiss GAAP FER to IFRS	2.4	–	–	–	–	49 807	49 807
Total as at 01.01.2021 (IFRS)		1 162 347	177 198	– 161	–	4 796 052	6 135 436
Profit		–	–	–	–	498 892	498 892
Revaluation of owner-occupied properties	5.2	–	–	–	14 954	–	14 954
Deferred taxes on revaluation of owner-occupied properties		–	–	–	– 2 946	–	– 2 946
Remeasurement of net defined benefit assets	9.7	–	–	–	–	22 090	22 090
Deferred taxes on remeasurement of net defined benefit assets		–	–	–	–	– 4 417	– 4 417
Other comprehensive income		–	–	–	12 008	17 673	29 681
Comprehensive income		–	–	–	12 008	516 565	528 573
Distribution to shareholders		–	– 127 248	–	–	– 127 248	– 254 496
Share-based compensation		–	66	3 007	–	–	3 073
Purchase of treasury shares	6.4	–	–	– 2 904	–	–	– 2 904
Total as at 31.12.2021		1 162 347	50 016	– 58	12 008	5 185 369	6 409 682
Total as at 31.12.2021 (as reported according to FER)		1 162 347	50 016	– 58	0	5 126 374	6 338 679
Reconciliation from Swiss GAAP FER to IFRS	2.4	0	0	0	12 008	58 995	71 003
Total as at 01.01.2022 (IFRS)		1 162 347	50 016	– 58	12 008	5 185 369	6 409 682
Profit		–	–	–	–	404 429	404 429
Revaluation of owner-occupied properties	5.2	–	–	–	9 489	–	9 489
Deferred taxes on revaluation of owner-occupied properties		–	–	–	– 1 870	–	– 1 870
Remeasurement of net defined benefit assets	9.7	–	–	–	–	– 74 441	– 74 441
Deferred taxes on remeasurement of net defined benefit assets		–	–	–	–	14 888	14 888
Other comprehensive income		–	–	–	7 619	– 59 553	– 51 934
Comprehensive income		–	–	–	7 619	344 876	352 495
Capital increase (acquisition Akara Group)		11 448	54 316	–	–	–	65 764
Dividend to shareholders		–	–	–	–	– 128 504	– 128 504
Nominal value reduction – distribution to shareholders		– 128 471	–	–	–	–	– 128 471
Nominal value reduction – transfer to reserves		–891 887	891 590			261	–36
Share-based compensation		–	–317	3 863	–	–	3 546
Purchase of treasury shares	6.4	–	–	– 5 179	–	–	– 5 179
Total as at 31.12.2022		153 437	995 605	– 1 374	19 627	5 402 002	6 569 297

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year's figures are presented in accordance with IFRS. Further information can be found in note 2.4 «Conversion to IFRS».

The notes form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1 Introduction

Our strategy is based on two central pillars: firstly, direct investments in high-quality properties in prime locations, primarily with commercial floor space, complemented by selective development projects. The focus of investment is properties and projects with sustainable, attractive returns and long-term potential for value growth. Secondly, we focus on the management of external real estate assets via funds, asset management mandates and external asset management for third-party clients. In addition to these two pillars, we operate in business areas related to real estate (particularly real estate management) with the aim of strengthening and broadening our earnings base and managing risks.

The following changes with significance for financial reporting took place in the reporting period:
- Acquisition/integration of the Akara Group into Swiss Prime Site Solutions (see note 9.10)
- New Moody's rating (see note 6.1)
- Introduction of International Financial Reporting Standards (IFRS) (see note 2.4)

In connection with introducing IFRS, we have made our reporting clearer for the recipients of the report. The structure of the notes is aligned to readers' interests, and important assumptions and specific accounting principles are explained in the individual notes.

The note sections are as follows:
- Performance; explains our performance per share
- Segments; shows our balance sheet and income statement by segment
- Real estate; provides information about our investment properties and owner-occupied properties
- Financing; provides details of our capital structure
- Platform costs; includes salaries, other operating expenses and taxes
- Financial risk management; describes our measures for financial risks
- Other disclosures; discloses other relevant information

In addition, we relocated the head office of Swiss Prime Site AG from Frohburgstrasse 1 in 4600 Olten to Alpenstrasse 15 in 6300 Zug in the 2022 financial year.

2 Accounting and significant principles

2.1 Principles of consolidated reporting

We have been reporting our results in accordance with the International Financial Reporting Standards (IFRS) since 1 January 2022. Until 31 December 2021, we still prepared the consolidated financial statements in accordance with Swiss GAAP FER. The effects of applying the new accounting principles for the first time are described in note 2.4. We also report in compliance with article 17 of the Directive on Financial Reporting of the Swiss stock exchange (SIX Swiss Exchange) and statutory requirements.

The consolidated financial statements were prepared in Swiss francs (CHF). All amounts, except for the figures per share, have been rounded to CHF 1 000. All group companies maintain their accounts in Swiss francs. Transactions denominated in foreign currencies are immaterial. The figures for the comparative period are shown in the text in square brackets [ ].

2.2 Changes to IFRS accounting principles

We applied the following new or revised standards and interpretations for the first time in the financial statements:

Standard/ interpretation	Title
IFRS 3 rev.	IFRS 3 «Recognition of Specific Liabilities and Contingent Liabilities in a Business Combination» (amendment to IFRS 3 – Business Combinations), applicable from 1 January 2022
IAS 16 rev.	IAS 16 «Proceeds before Intended Use» (amendment to IAS 16 – Property, Plant and Equipment), applicable from 1 January 2022
IAS 37 rev.	IAS 37 «Onerous Contracts – Cost of Fulfilling a Contract» (amendment to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets), applicable from 1 January 2022

The following new and revised standards and interpretations have not yet entered into force and have not been applied in advance in these consolidated financial statements.

Standard/ interpretation	Title	Impact[1]	Entering into force	Planned application by Swiss Prime Site
IAS 1 rev.	Classification of liabilities	1	01.01.2023	Fiscal year 2023
IAS 1 rev.	Disclosure of accounting policies	1	01.01.2023	Fiscal year 2023
IAS 8 rev.	Definition of accounting estimates	1	01.01.2023	Fiscal year 2023
IFRS 17	Insurance contracts	1	01.01.2023	Fiscal year 2023
IAS 12 rev.	Deferred tax related to assets and liabilities arising from a single transaction	1	01.01.2023	Fiscal year 2023

[1] 1 No or no significant impact on the consolidated financial statements is anticipated
2 The effects on the consolidated financial statements cannot yet be determined with sufficient certainty
3 The effects on the consolidated financial statements are described below

2.3 Accounting estimates

Preparing the annual financial statements in accordance with the IFRS accounting principles necessitates the use of accounting estimates that affect the reported amounts for assets and liabilities, the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported income and expenses for the reporting period. Although these accounting estimates have been determined by the Executive Board in good faith based on their knowledge of current events and possible future measures of Swiss Prime Site, the actual results may differ from these values.

2.3.1 Fair value measurement

When measuring the fair value of an asset or liability, we use observable market data whenever possible. Based on the inputs used in the valuation techniques, we assign the fair values to different levels of the fair value hierarchy:

Fair value hierarchy	
Level 1	The fair value has been determined on the basis of listed prices on active markets for identical assets and liabilities.
Level 2	In contrast to level 1, the fair value has been determined using inputs other than listed prices. For financial assets and liabilities, the inputs must be observable on markets directly (e.g. listed prices) or indirectly (e.g. derived from listed prices).
Level 3	The fair value has been determined using inputs that are not based on observable market data.

– In the fair value measurement, different parameters on different hierarchies can be applied at the same time. We classify the entire valuation according to the lowest level of the fair value hierarchy in which the significant valuation parameters are located.

2.3.2 Impairment of goodwill

- In the impairment tests, which are performed at least once a year, we use assumptions to calculate the value in use.
- Two key factors for which assumptions are made are growth rate and discount rate. It is possible that these assumptions will prove to be inaccurate in the future. Likewise, the actual cash flows may differ from the discounted projections.

2.3.3 Deferred taxes

- Deferred tax liabilities are calculated based on the temporary valuation difference between the book value and the tax base of a balance sheet item («balance sheet liability method»).
- Deferred taxes on temporary valuation differences in the property portfolio are calculated per property in accordance with the cantonal legislation. We review the calculation parameters applied (especially the tax rates) at least once a year and adapt them if necessary.
- Cantons with a one-tier tax system charge a separate property gains tax. In addition to ordinary property gains tax, this includes speculative surcharges or complemented ownership deductions (based on the effective holding period). The longer the duration of ownership, the lower the property gains tax.
- In the case of properties held for sale, we use the effective holding period in the calculation. For other types of properties, we assume a duration of ownership of 20 years or use the effective holding period if it is more than 20 years. Estimating the minimum holding period is subject to considerable discretion.
- Where the valuation difference of properties according to IFRS versus the tax bases are due to recaptured and previously claimed depreciation, the taxes are allocated per property after the deduction of property gains tax and taken into account separately.

2.4 Conversion to IFRS

We have been reporting our results in accordance with the IFRS accounting principles since the 2022 financial year. We have adjusted the comparative figures to the new standards, which means that IFRS was first applied as at 1 January 2021. The accounting principles applied to the preparation and presentation of the 2022 consolidated annual financial statements according to IFRS deviate from the 2021 consolidated financial statements prepared according to the Swiss GAAP FER principles in the following points:

2.4.1 Properties

Investment properties are valued at fair value in accordance with the requirements of IAS 40 «Investment Property». Properties used by the owner itself (e.g. office and retail) are now reported as owner-occupied properties in accordance with IAS 16 and IAS 40.10 (pro rata). Owner-occupied properties and owner-occupied properties under construction are valued at fair value in accordance with IAS 16 «Property, Plant and Equipment» on the basis of the revaluation model. After ordinary depreciation has been recognised in the income statement, a positive revaluation is credited to other comprehensive income, unless it involves the reversal of earlier impairments. In the case of a negative revaluation, the earlier value increases in consolidated shareholders' equity are reversed first until the corresponding revaluation reserve is released. Other devaluations are charged to the consolidated income statement. Properties under construction for future use as owner-occupied properties are dealt with in the same manner. Under IFRS, owner-occupied and investment properties are shown separately in the balance sheet.

2.4.2 Goodwill, brand names and customer base from acquisitions

Capital consolidation is carried out using the acquisitions method. Goodwill from acquisitions is recognised at the residual value (difference between the purchase price and the fair value of the acquired net assets) in accordance with IFRS 3. It is not amortised, but is impairment tested annually or more frequently if there are indications of impairment. Goodwill that was previously offset directly against shareholders' equity under Swiss GAAP FER is not recognised retrospectively. No other intangible assets that need to be recognised separately under IAS 38 were identified.

2.4.3 Pension plans

Under IFRS, defined benefit plans are accounted for according to the projected unit credit method pursuant to IAS 19 «Employee Benefits», whereas previously the standards according to Swiss GAAP FER 16 «Pension benefit obligations» applied. The present value of benefit obligations from defined benefit plans is determined by external experts. The actuarial appraisals are prepared separately for the individual benefit plans. Actuarially calculated surpluses are only recognised as net pension assets to the extent to which a future economic benefit arises for the Group in the form of lower contributions within the meaning of IFRIC 14. Under IFRS, this results in a liability or an asset in the consolidated financial statements, whereas there was no item to be recognised under Swiss GAAP FER. In addition, reported personnel costs from pension plans are different under IFRS than under Swiss GAAP FER.

2.4.4 Right-of-use, leases

Previously, lease liabilities were treated as operational leases in accordance with Swiss GAAP FER 13 «Leases». Under IFRS, the right-of-use for leased properties and land leases are recognised and the corresponding lease liabilities are recorded as liabilities, unless the term of the agreement is twelve months or less, or if it involves a low-value asset. Application of IFRS 16 «Leases» results in an increase in total assets and liabilities. In the income statement, there is a shift in expenses from real estate expenses (third-party rents and land lease payments) to depreciation and financial expenses (interest expense).

In accordance with IFRS 16 and IAS 40.50d, the right-of-use assignable to investment properties and owner-occupied properties (rental and land lease contracts) are reported gross by adding the fair value of the lease liability to the fair value of the property.

The other right-of-use (e.g. Wincasa office floor space and Jelmoli retail floor space) are recognised at fair value and amortised over the term using the straight line method.

2.4.5 Long-term construction contracts

Long-term construction contracts are now evaluated in accordance with IFRS 15 «Revenue from Contracts with Customers». Under Swiss GAAP FER 22 «Long-term contracts», the income from the Espace Tourbillon project (buildings C and D) was divided into two components (land/project and construction contract) with separate margins. According to IFRS 15, there is only one performance obligation (sale of a turnkey property consisting of the sale of land and the construction of buildings), which means that there is no need to separate the transaction under IFRS. Because the buildings were completed in 2021 and there has no longer been any difference between Swiss GAAP FER and IFRS since then, this change in the current consolidated financial statements relates exclusively to the opening balance sheet as at 1 January 2021 and the income statement of the previous year.

2.4.6 Financial assets / financial liabilities / derivative financial instruments

Under IFRS 9, financial assets are classified according to their characteristics. Loans receivable are held to maturity and are recognised in the balance sheet at amortised cost. Other financial assets are valued at fair value. Financial liabilities are initially recognised in the balance sheet at cost less transaction costs in accordance with IFRS 9. In subsequent periods, they are recognised at amortised cost, whereby the effective interest rate method is used to amortise the difference between the book value and the redemption value. Derivative financial instruments are measured at fair value. When they have a positive fair value, they are recognised in the balance sheet as financial investments, and when they have a negative fair value, they are recognised in the balance sheet as financial liabilities.

2.4.7 Capitalised own services

Capitalised own services are reported under operating expenses as a separate expense item (expense reduction). It includes work related to the Group's own development projects and construction projects, as well as internal services for construction management and software development.

2.4.8 Deferred income taxes

The aforementioned valuation and balance sheet adjustments result in corresponding effects on deferred taxes in the balance sheet as well as in the income statement.

The changes relating to the IFRS accounting principles were implemented retrospectively as at 1 January 2021 (first-time application). The following tables show the effects of the conversion from Swiss GAAP FER to IFRS on profit and shareholders' equity:

in CHF 1 000	01.01.–31.12.2021
Profit according to FER	**507 377**
Reconciliation to IFRS:	
Depreciation owner-occupied properties (IAS 16)	– 1 041
Elimination revaluation of owner-occupied properties (IAS 16)	– 13 913
Adjustment expenses of net defined benefit assets (IAS 19)	– 1 436
Interest income on net defined benefit assets (IAS 19)	88
Revaluation right-of-use assets investment properties (IFRS 16)	– 3 019
Depreciation right-of-use assets (IFRS 16)	– 5 811
Interest expenses lease liabilities (IFRS 16)	– 4 059
Elimination rental expenses (IFRS 16)	12 731
Adjustment income from real estate developments (IFRS 15)	3 703
Deferred taxes and other effects	4 272
Total adjustments to profit	**– 8 485**
Total profit according to IFRS	**498 892**

in CHF 1 000	01.01.2021	31.12.2021
Shareholders' equity according to FER	6 085 629	6 338 679
Reconciliation to Swiss GAAP FER:		
Reclassification investment properties to owner-occupied properties (IAS 16)	– 521 437	– 597 611
Reclassification owner-occupied properties to investment properties (IAS 16)	521 437	597 611
Net defined benefit assets (IAS 19)	59 648	80 239
Net defined benefit liabilities (IAS 19)	– 151	–
Right-of-use assets investment properties (IFRS 16)	241 696	238 702
Right-of-use assets (IFRS 16)	48 944	43 132
Current lease liabilities (IFRS 16)	– 12 593	– 13 661
Non-current lease liabilities (IFRS 16)	– 278 047	– 268 331
Real estate developments (IFRS 15)	– 3 703	–
Deferred taxes and other effects	– 5 987	– 9 078
Total adjustments to shareholders' equity	49 807	71 003
Total shareholders' equity according to IFRS	6 135 436	6 409 682

The aforementioned effects have a corresponding influence on the individual items in the cash flow statement. Applying IFRS 16 moves the cash flows from leasing activities, amounting to CHF 12.731 million, from cash flow from operating activities to cash flow from financing activities. There are no other changes to the reported cash flows (cash flow from operating activities, cash flow from investing activities, cash flow from financing activities).

3 Performance

3.1 Key figures per share

Earnings per share (EPS)

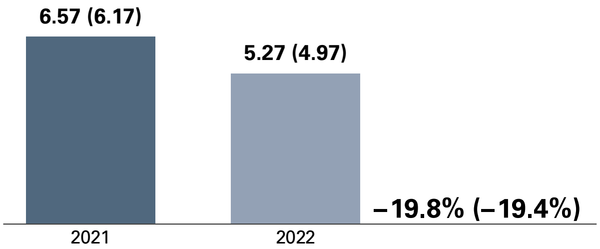
Basic earnings per share are determined by dividing the consolidated profit attributable to shareholders of Swiss Prime Site AG by the weighted average number of outstanding shares. Diluted earnings per share are determined by deducting expenses in connection with the convertible bonds, such as interest (coupon), amortisation of the proportional costs and tax effects. The potential shares (options and the like) that might lead to a dilution of the number of shares must be taken into account when determining the weighted average number of outstanding shares.

NAV (net asset value) per share

Shareholders' equity (attributable to shareholders of Swiss Prime Site AG) divided by the number of issued shares on the balance sheet date (excluding treasury shares).

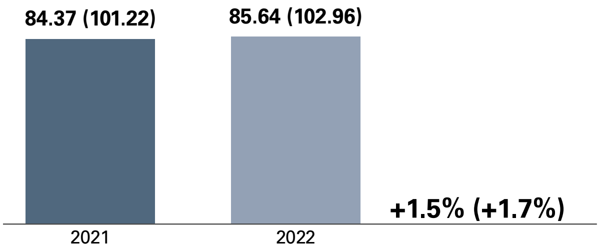
Earnings per share (diluted earnings per share)

in CHF resp. %



NAV after deferred taxes (NAV before deferred taxes)

in CHF resp. %



Earnings and net asset value (NAV) per share

in CHF	01.01.–31.12.2021	01.01.–31.12.2022
Earnings per share (EPS)	6.57	5.27
Diluted earnings per share	6.17	4.97
Shareholders´ equity per share (NAV) before deferred taxes[1]	101.22	102.96
Shareholders´ equity per share (NAV) after deferred taxes[1]	84.37	85.64

[1] Services segment (real estate-related business fields) included at book values and not at fair values

Basis for calculation of diluted earnings per share

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Profit attributable to shareholders of Swiss Prime Site AG	498 892	404 429
Interests on convertible bonds, amortisation of proportional costs and tax effects	3 096	3 096
Relevant profit for calculation of diluted earnings per share	**501 988**	**407 525**

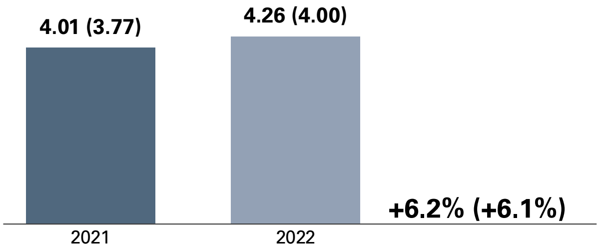
Weighted average number of shares

	01.01.–31.12.2021	01.01.–31.12.2022
Shares issued as at 01.01.	75 970 364	75 970 364
Weighted number of shares on capital increase on 04.01.2022	–	739 926
Average number of treasury shares (360 days)	–2 260	–13 216
Total weighted average number of shares 01.01.–31.12. (360 days)	**75 968 104**	**76 697 074**
Highest possible number of shares that can be issued on conversions	5 334 160	5 334 160
Basis for calculation of diluted earnings per share	**81 302 264**	**82 031 234**

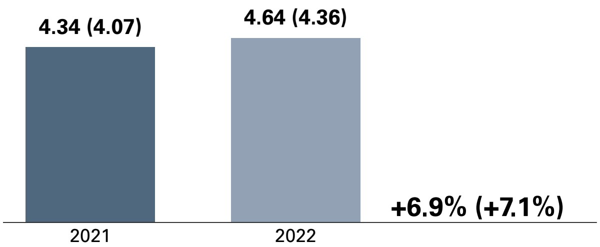
3.2 Funds from operations (FFO)

Funds from operations (FFO) indicates cash flow from operations (FFO I). FFO II also includes cash income from property sales.

FFO I per share (FFO I per share diluted)
in CHF resp. %



FFO II per share (FFO II per share diluted)
in CHF resp. %



in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Operating result (EBIT)	706 717	559 354
Depreciation, amortisation and impairment[1]	23 233	66 097
Revaluation from investment properties, net	–301 882	–169 739
Result from investment property sales, net	–39 916	–50 877
Result from investments in associates	–909	–2 540
Revaluation of net defined benefit assets (IAS 19)	1 348	–829
Payments from leasing contracts	–12 731	–14 028
Cash effective interest expenses[2]	–50 148	–39 921
Cash effective interest income and dividends	1 937	2 036
Current taxes without investment property sales	–23 075	–23 065
FFO I	**304 574**	**326 488**
Result from investment property sales, net	39 916	50 877
Current taxes from investment property sales	–14 985	–21 221
FFO II	**329 505**	**356 144**
Total weighted average number of shares	75 968 104	76 697 074
FFO I per share in CHF	**4.01**	**4.26**
FFO II per share in CHF	**4.34**	**4.64**
Total weighted average number of shares diluted	81 302 264	82 031 234
FFO I per share in CHF diluted	**3.77**	**4.00**
FFO II per share in CHF diluted	**4.07**	**4.36**

[1] In the reporting period, included is the additional value adjustment of inventory Jelmoli of CHF 7.084 million
[2] In the prior year, not included are the early repayment penalties (non-recurring expenses) of CHF 24.913 million paid due to the refinancing

4 Segment reporting

Our core business involves buying, selling, managing, letting and developing properties. We are also active in other real estate-related business fields. The segment structure is based on internal reporting (management approach).

We divide the consolidated financial data into the following segments:
- Real Estate comprises the purchase, sale, lease and development of properties as well as central group functions
- Services consists of the real estate-related services of asset management, real estate services and retail trade

Performance key figures 01.01.–31.12.2022

	Real Estate segment	Services segment	Total segments	Eliminations	01.01.–31.12.2022 Total group
Loan-to-value ratio of property portfolio (LTV)	38.9%	n.a.	n.a.	n.a.	n.a.
Return on equity (ROE)	6.6%[1]	26.7%[1]	n.a.	n.a.	6.2%
Return on invested capital (ROIC)	3.5%[1]	5.5%[1]	n.a.	n.a.	3.3%
Full-time equivalents as at balance sheet date	81	1 486	1 567	–	1 567

[1] Not included are the capitalised tax effects from taxable losses carried forward from previous periods of CHF 6.733 million as well as the impairment on tangible assets Jelmoli and the additional value adjustment of the Jelmoli inventory after tax effects totaling CHF 32.925 million.

Segment income statement 01.01.–31.12.2022

in CHF 1 000	Real Estate segment	Services segment	Total segments	Eliminations	01.01.–31.12.2022 Total group
Rental income from properties	448 816	13 218	462 034	–30 710	431 324
thereof from third parties	418 106	13 218	431 324	–	431 324
thereof from other segments	30 710	–	30 710	–30 710	–
Income from sale of trading properties	15 702	–	15 702	–	15 702
Income from real estate developments	–	9 132	9 132	–	9 132
Income from asset management	–	52 016	52 016	–	52 016
Income from real estate services	–	152 636	152 636	–27 074	125 562
Income from retail	–	132 141	132 141	–17	132 124
Other operating income	2 637	9 615	12 252	–3 686	8 566
Operating income	**467 155**	**368 758**	**835 913**	**–61 487**	**774 426**
Revaluation of investment properties, net	**169 739**	–	**169 739**	–	**169 739**
Result from investments in associates	**2 540**	–	**2 540**	–	**2 540**
Result from investment property sales, net	**50 877**	–	**50 877**	–	**50 877**
Real estate costs	–65 361	–40 607	–105 968	50 208	–55 760
Cost of trading properties sold	–13 616	–	–13 616	–	–13 616
Cost of real estate developments	–	–8 051	–8 051	–	–8 051
Cost of goods sold	–	–75 219	–75 219	–	–75 219
Personnel costs	–25 851	–163 884	–189 735	320	–189 415
Other operating expenses	–17 752	–35 627	–53 379	2 058	–51 321
Depreciation, amortisation and impairment	–12 791	–46 222	–59 013	–	–59 013
Capitalised own services	3 127	2 139	5 266	8 901	14 167
Operating expenses	**–132 244**	**–367 471**	**–499 715**	**61 487**	**–438 228**
Operating result (EBIT)	**558 067**	**1 287**	**559 354**	–	**559 354**
Operating result before depreciation and amortisation (EBITDA)	**570 858**	**47 509**	**618 367**	–	**618 367**

Balance sheet items as at 31.12.2022

in CHF 1 000	Real Estate segment	Services segment	Total segments	Eliminations	01.01.– 31.12.2022 Total group
Real estate portfolio (without leasing)	13 087 715	–	13 087 715	–	13 087 715
Right-of-use assets	256 705	29 228	285 933	–	285 933
Other assets	208 822	440 089	648 911	–251 337	397 574
Total assets	**13 553 242**	**469 317**	**14 022 559**	**–251 337**	**13 771 222**
Financial liabilities (without leasing)	5 094 709	124 676	5 219 385	–	5 219 385
Lease liabilities	256 712	29 327	286 039	–	286 039
Other liabilities	1 710 172	237 666	1 947 838	–251 337	1 696 501
Total liabilities	**7 061 593**	**391 669**	**7 453 262**	**–251 337**	**7 201 925**
Total shareholders' equity	**6 491 649**	**77 648**	**6 569 297**	**–**	**6 569 297**
Total investments	378 955	183 858	562 813	–	562 813

Performance key figures 01.01.–31.12.2021

	Real Estate segment	Services segment	Total segments	Eliminations	01.01.– 31.12.2021 Total group
Loan-to-value ratio of property portfolio (LTV)	40.2%	n.a.	n.a.	n.a.	n.a.
Return on equity (ROE)	8.0%	6.5%[1]	n.a.	n.a.	8.0%
Return on invested capital (ROIC)	4.3%	1.8%[1]	n.a.	n.a.	4.3%
Full-time equivalents as at balance sheet date	71	1 403	1 474	–	1 474

[1] Not included are the capitalised tax effects from taxable losses carried forward of CHF 1.543 million.

Segment income statement 01.01.–31.12.2021

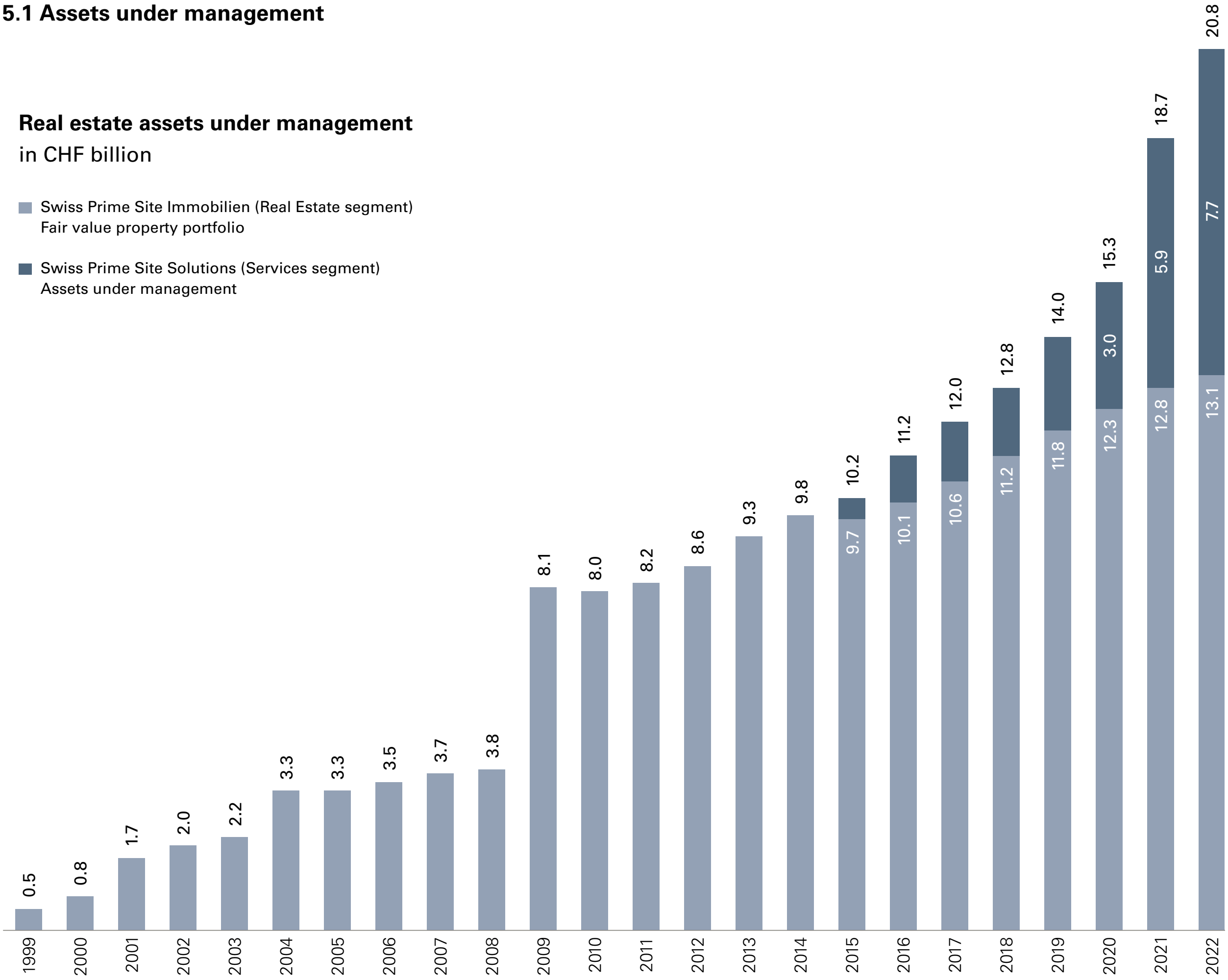
in CHF 1 000	Real Estate segment	Services segment	Total segments	Eliminations	01.01.–31.12.2021 Total group
Rental income from properties	444 420	12 953	457 373	–30 681	426 692
thereof from third parties	413 739	12 953	426 692	–	426 692
thereof from other segments	30 681	–	30 681	–30 681	–
Income from real estate developments	51 964	–	51 964	–	51 964
Income from asset management	–	18 215	18 215	–	18 215
Income from real estate services	–	146 157	146 157	–26 731	119 426
Income from retail	–	119 553	119 553	–13	119 540
Other operating income	2 174	13 501	15 675	–2 009	13 666
Operating income	**498 558**	**310 379**	**808 937**	**–59 434**	**749 503**
Revaluation of investment properties, net	**301 882**	**–**	**301 882**	**–**	**301 882**
Result from investments in associates	**909**	**–**	**909**	**–**	**909**
Result from investment property sales, net	**39 916**	**–**	**39 916**	**–**	**39 916**
Real estate costs	–64 462	–39 706	–104 168	51 466	–52 702
Cost of real estate developments	–33 377	–	–33 377	–	–33 377
Cost of goods sold	–	–63 726	–63 726	–	–63 726
Personnel costs	–22 391	–154 902	–177 293	404	–176 889
Other operating expenses	–18 945	–27 101	–46 046	2 101	–43 945
Depreciation, amortisation and impairment	–5 900	–17 333	–23 233	–	–23 233
Capitalised own services	–	2 916	2 916	5 463	8 379
Operating expenses	**–145 075**	**–299 852**	**–444 927**	**59 434**	**–385 493**
Operating result (EBIT)	**696 190**	**10 527**	**706 717**	**–**	**706 717**
Operating result before depreciation and amortisation (EBITDA)	**702 090**	**27 860**	**729 950**	**–**	**729 950**

Balance sheet items as at 31.12.2021

in CHF 1 000	Real Estate segment	Services segment	Total segments	Eliminations	31.12.2021 Total group
Real estate portfolio (without leasing)	12 793 500	–	12 793 500	–	12 793 500
Right-of-use assets	238 701	43 133	281 834	–	281 834
Other assets	191 247	319 796	511 043	–87 041	424 002
Total assets	**13 223 448**	**362 929**	**13 586 377**	**–87 041**	**13 499 336**
Financial liabilities (without leasing)	5 148 042	–0	5 148 042	–	5 148 042
Lease liabilities	238 701	43 291	281 992	–	281 992
Other liabilities	1 516 234	230 427	1 746 661	–87 041	1 659 620
Total liabilities	**6 902 977**	**273 718**	**7 176 695**	**–87 041**	**7 089 654**
Total shareholders' equity	**6 320 471**	**89 211**	**6 409 682**	**–**	**6 409 682**
Total investments	303 180	16 103	319 283	–	319 283

5 Real estate

5.1 Assets under management



5.2 Properties

Valuation approach

We have our properties valued at fair value by property valuation company Wüest Partner AG in accordance with IFRS accounting principles. The valuation is performed using the discounted cash flow method (DCF), under which future cash flows are discounted, taking into account the market situation and risks. The inputs used are determined by Wüest Partner AG on the basis of its in-depth market knowledge, and we then critically review them and discuss them with the valuers. Further information can be found in Wüest Partner's report.

Existing properties including building land

We classify our existing properties, including building land, in accordance with IAS 40 «Investment Property», and they are thus initially recognised in the balance sheet at cost, including directly attributable transaction costs. The subsequent periodic measurements are at fair value through profit or loss. We recognise replacement and expansion investments when it is probable that we will obtain a resulting future economic benefit.

Properties under construction / development sites

Even before their construction is finished, we recognise properties under construction/development sites with future use as existing properties in accordance with IAS 40 «Investment Property» if their fair value can be reliably calculated, in the same way as existing properties that have already been occupied. An important factor for this reliable determination is the existence of a valid building permit. If a reliable determination is not possible, we recognise the properties under construction/development sites at cost. Directly attributable borrowing costs for properties under construction are recognised as capitalised interest expenses.

Insofar as the following criteria are fulfilled on a cumulative basis, we reclassify existing properties in the portfolio as properties under construction/development sites as at the realisation date:

- Total depletion of the property (elimination of the property's usefulness)
- Planned investments of more than 30% of fair value
- Duration of renovation longer than 12 months

Owner-occupied properties
We recognise properties we use ourselves as owner-occupied properties in accordance with IAS 16 and IAS 40.10 (pro rata in proportion to the target rental income). Owner-occupied properties are subsequently measured in accordance with the revaluation model. After ordinary depreciation has been recognised in the income statement, a positive revaluation is credited to other comprehensive income, unless it involves the reversal of earlier impairments. In the case of a negative revaluation, the earlier value increases in consolidated shareholders' equity are reversed first until the corresponding revaluation reserve is released. Any further devaluations are charged to the consolidated income statement.

Properties held for sale
We classify properties, the sale of which is likely but has not been completed, as properties held for sale in accordance with IFRS 5 «Non-Current Assets Held for Sale and Discontinued Operations». In accordance with IFRS 5.5, the properties continue to be measured at fair value in accordance with IAS 40.

Trading properties
Properties under construction that are intended for future sale are recognised at the lower of cost or net realisable value in accordance with IAS 2 «Inventories». The recognised costs are reported as expense from the sale of trading properties in operating expenses upon realisation of sales.

Real estate developments
Real estate developments (long-term contracts) comprise construction projects that are sold to third parties either prior to or during the construction phase, and which are developed or completed on behalf of the buyer. The purchase contract is notarised after it is concluded. The ownership of the respective property is usually transferred after construction work is finished. Recognition of these real estate developments is carried out according to the percentage-of-completion method (POCM) in accordance with IFRS 15 «Revenue from Contracts with Customers». Depending on how the project is structured, the percentage of completion is determined based on the cost-to-cost method or based on building assessments and project planning (milestone approach). The method applied in each case is the method by which the percentage of completion can be determined most reliably. The cumulative costs and realised sales proceeds according to the percentage-of-completion method are reported in the income statement on an ongoing basis.

Advance payments received are recognised in the balance sheet without affecting income. They are offset against the relevant long-term contracts for which the advance payment was made. Reporting in the balance sheet is carried out on a net basis as «real estate developments» on the assets or liabilities side. Insofar as the result of a long-term contract cannot be reliably estimated, only the amount of income equal to the amount of incurred contract costs is recognised that would probably be realisable, with concurrent reporting of the contract costs incurred as expense in the corresponding period. This corresponds to a valuation at actual costs. If there is a probability that total contract costs could exceed total contract income, the expected losses are immediately recorded as expense and provision.

Right-of-use from leases
In accordance with IFRS 16 and IAS 40.50d, the right-of-use assignable to investment properties and owner-occupied properties (rental and land lease contracts) are reported gross by adding the fair value of the lease liability to the fair value of the property.

Capitalised borrowing costs
Interest on loans and land lease interest for qualifying properties under construction/development sites and trading properties are capitalised, and added to the actual costs.

Changes to properties

in CHF 1 000	Properties (incl. building land)	Properties under construction/development sites	Total investment properties	Owner-occupied properties	Properties held for sale	Trading properties	Total portfolio
	IAS 40	IAS 40		IAS 16	IFRS 5	IAS 2	
Total as at 01.01.2021 (according to valuation expert)	**10 863 133**	**721 649**	**11 584 782**	**521 437**	**216 401**	**–**	**12 322 620**
Purchases	18 082	–	18 082	–	–	–	18 082
Investments	119 643	128 748	248 391	2 224	23 338	–	273 953
Capitalised borrowing costs	533	5 438	5 971	–	439	–	6 410
Reclassifications	–257 844	–14 952	–272 796	60 037	159 293	53 466	–
Disposal by sale	–	–1 609	–1 609	–	–144 770	–	–146 379
Positive fair value adjustment	469 388	18 680	488 068	–	167	–	488 235
Negative fair value adjustment	–168 676	–9 914	–178 590	–	–4 744	–	–183 334
Fair value adjustment[1]	**300 712**	**8 766**	**309 478**	**–**	**–4 577**	**–**	**304 901**
Depreciation owner-occupied properties				–1 041			–1 041
Revaluation owner-occupied properties (OCI)				14 954			14 954
Total as at 31.12.2021 (according to valuation expert)	**11 044 259**	**848 040**	**11 892 299**	**597 611**	**250 124**	**53 466**	**12 793 500**
Right-of-use assets	238 702		238 702				238 702
Total book value as at 31.12.2021	**11 282 961**	**848 040**	**12 131 001**	**597 611**	**250 124**	**53 466**	**13 032 202**
Purchases	19 529	41 695	61 224	–	–	–	61 224
Investments	115 120	161 039	276 159	2 863	17 167	16 838	313 027
Capitalised borrowing costs	–	4 046	4 046	–	427	–	4 473
Reclassifications	26 518	–51 280	–24 762	–36 199	43 709	17 252	–
Disposal by sale	–50 356	–	–50 356	–	–201 740	–13 597	–265 693
Positive fair value adjustment	212 990	54 351	267 341	–	140	–	267 481
Negative fair value adjustment	–79 384	–14 529	–93 913	–	–754	–	–94 667
Fair value adjustment[1]	**133 606**	**39 822**	**173 428**	**–**	**–614**	**–**	**172 814**
Depreciation owner-occupied properties				–1 119			–1 119
Revaluation owner-occupied properties (OCI)				9 489			9 489
Total as at 31.12.2022 (according to valuation expert)	**11 288 676**	**1 043 362**	**12 332 038**	**572 645**	**109 073**	**73 959**	**13 087 715**
Right-of-use assets	255 196		255 196				255 196
Total book value as at 31.12.2022	**11 543 872**	**1 043 362**	**12 587 234**	**572 645**	**109 073**	**73 959**	**13 342 911**

[1] Not included is the revaluation of IFRS 16 right-of-use from building rights of CHF –3.075 million [CHF –3.019 million]

– The reclassification of investment properties to owner-occupied properties and of owner-occupied properties to investment properties is carried out on a half-yearly basis using current target rental income. If the owner-occupied properties had been valued using the cost model, the book value as at the balance sheet date would have been CHF 545.973 million [CHF 578.121 million].

We reclassified the following properties in the financial year:
– From existing properties to properties held for sale (Conthey, Route Cantonale 2; Frauenfeld, Zürcherstrasse 305; Frick, Hauptstrasse 132; Meyrin, Route de Meyrin 210; Meyrin, Route de Pré-Bois 14; Wangen bei Olten, Rickenbacherfeld; Wil, Obere Bahnhofstrasse 40)

- From properties held for sale to existing properties (Dietikon, Bahnhofplatz 11, Neumattstrasse 24; Gossau, Wilerstrasse 82)
- From properties under construction/development sites to trading properties (Olten, Solothurnerstrasse 201a: USEGO-Park)
- From properties under construction/development sites to existing properties (Richterswil, Gartenstrasse 7)
- The reduction of the space used for own operations in the properties Olten, Frohburgstrasse 1; Zurich, Hardstrasse 201, Prime Tower and Zurich, Seidengasse 1, Jelmoli led to reclassifications from owner-occupied properties to existing properties.

Unobservable inputs applied as at 31.12.2022

	in	Building land	Commercial properties (continuation of use)[1]	Commercial properties (highest and best use)[2]	Properties under construction/ development sites
Fair value as at balance sheet date	CHF m	63.191	10 671.805	1 235.398	1 117.321
Unobservable input factors					
Average discount rate	%	3.06	2.69	2.67	2.96
Maximum discount rate	%	4.95	4.95	4.60	4.00
Minimum discount rate	%	2.20	1.65	2.15	2.35
Rental income residential	CHF per m² p.a.	–	70 to 692	120 to 530	648 to 816
Rental income offices	CHF per m² p.a.	–	75 to 1 000	90 to 780	180 to 535
Rental income retail/gastro	CHF per m² p.a.	–	80 to 9 000	120 to 1 190	390 to 950
Rental income commercial	CHF per m² p.a.	–	55 to 380	50 to 200	220 to 280
Rental income storage	CHF per m² p.a.	–	20 to 300	50 to 180	90 to 170
Rental income parking inside	CHF per piece and month	–	50 to 650	100 to 600	90 to 635
Rental income parking outside	CHF per piece and month	–	40 to 400	40 to 160	75 to 200

[1] Commercial properties for which the valuation was based on the assumption of continuation of current use, as well as properties held for sale
[2] Commercial properties for which the valuation was based on highest and best use (the current use does not correspond to the best use)

Unobservable inputs applied as at 31.12.2021

	in	Building land	Commercial properties (continuation of use)[1]	Commercial properties (highest and best use)[2]	Properties under construction/ development sites
Fair value as at balance sheet date	CHF m	43.033	10 552.324	1 191.167	1 006.976
Unobservable input factors					
Average discount rate	%	3.42	2.76	2.70	3.10
Maximum discount rate	%	4.95	4.85	4.75	4.05
Minimum discount rate	%	3.10	1.70	2.15	2.35
Rental income residential	CHF per m² p.a.	–	80 to 692	120 to 530	255 to 285
Rental income offices	CHF per m² p.a.	–	80 to 930	90 to 780	180 to 535
Rental income retail/gastro	CHF per m² p.a.	–	60 to 9 000	120 to 1 190	240 to 395
Rental income commercial	CHF per m² p.a.	–	55 to 380	80 to 210	220 to 280
Rental income storage	CHF per m² p.a.	–	25 to 500	48 to 200	90 to 170
Rental income parking inside	CHF per piece and month	–	50 to 650	100 to 600	90 to 635
Rental income parking outside	CHF per piece and month	–	40 to 400	40 to 160	75 to 200

[1] Commercial properties for which the valuation was based on the assumption of continuation of current use, as well as properties held for sale
[2] Commercial properties for which the valuation was based on highest and best use (the current use does not correspond to the best use)

- The fair value of the entire property portfolio is determined by applying the «highest and best use» concept. Highest and best use is the utilisation of a property that maximises its value. This assumption implies use that is technically/physically feasible, legally permissible and financially realisable. The non-observable inputs for properties for which the highest and best use differs from the actual or planned use of a property are shown separately in the above tables.

Sensitivity of existing properties' fair value in terms of discount rates as at 31.12.2022

Average discount rate	Change in fair value in %	Change in fair value in CHF 1 000	Fair value in CHF 1 000
2.26%	18.90%	2 254 400	14 161 600
2.37%	13.50%	1 611 000	13 518 200
2.48%	8.60%	1 025 800	12 933 000
2.58%	4.10%	491 100	12 398 300
2.69% (valuation as at 31.12.2022)	-	-	**11 907 200**
2.80%	–3.80%	–452 700	11 454 500
2.90%	–7.30%	–871 600	11 035 600
3.01%	–10.60%	–1 260 600	10 646 600
3.11%	–13.60%	–1 622 700	10 284 500
3.22%	–16.50%	–1 961 000	9 946 200
3.33%	–19.10%	–2 277 500	9 629 700

Sensitivity of existing properties' fair value in terms of discount rates as at 31.12.2021

Average discount rate	Change in fair value in %	Change in fair value in CHF 1 000	Fair value in CHF 1 000
2.33%	18.00%	2 113 700	13 857 200
2.44%	12.80%	1 498 800	13 242 300
2.54%	8.10%	954 500	12 698 000
2.65%	3.80%	448 000	12 191 500
2.75% (valuation as at 31.12.2021)	-	-	**11 743 500**
2.86%	–3.80%	–449 000	11 294 500
2.96%	–7.20%	–848 300	10 895 200
3.07%	–10.30%	–1 214 500	10 529 000
3.17%	–13.30%	–1 566 200	10 177 300
3.28%	–16.10%	–1 890 200	9 853 300
3.38%	–18.70%	–2 193 900	9 549 600

– The above sensitivities only show the effect of a change in the discount rates. Depending on the scenario, other parameters could also change, with opposing effects in some cases (e.g. indexing), and influence the valuation accordingly.
– A change of ±2.0% [±2.0%] in market rent prices would have an impact of +2.2% [+2.2%] or an impact of -2.2% [-2.5%] on the fair value of the existing properties.

Details on future rental income under existing contracts

The following table breaks down the future net annual rental income and land lease income from properties (excluding properties under construction and development sites, and excluding leased properties) by the end dates of individual rental contracts as at 31 December 2022:

End of contract	31.12.2021 Future rental income in CHF 1 000	Share in %	31.12.2022 Future rental income in CHF 1 000	Share in %
Indefinite (residential, parking facilities, commercial properties, etc.)	30 942	6.8	31 013	6.8
Under 1 year	27 814	6.2	24 886	5.4
Over 1 year	44 525	9.8	64 209	14.2
Over 2 years	56 761	12.5	44 034	9.7
Over 3 years	35 777	7.9	75 188	16.6
Over 4 years	72 020	15.9	40 214	8.9
Over 5 years	27 654	6.1	17 152	3.8
Over 6 years	9 261	2.0	22 668	5.0
Over 7 years	21 324	4.7	18 051	4.0
Over 8 years	19 256	4.3	43 744	9.6
Over 9 years	45 556	10.1	6 402	1.4
Over 10 years	61 869	13.7	66 176	14.6
Total	452 759	100.0	453 737	100.0

– We have presented future rental income from the perspective of the Real Estate segment and based on the rental contracts of the group’s properties as at 31 December 2022 [31 December 2021].

Largest external tenants

in % of future annual net rental and land lease income	31.12.2021	31.12.2022
Tertianum	6.0	6.5
Coop	5.3	5.1
Magazine zum Globus	4.7	4.6
Swisscom	3.4	3.5
Zurich Insurance Group	2.5	2.5
Total	21.9	22.2

Current development and new building projects

Basel, Hochbergerstrasse 60: Stücki Park	
Project description	Construction of three laboratory buildings and one office property and transformation of the area into a centre for innovation, entertainment and health. Investment volume: approx. CHF 250 million (full fit-out) Further information: stueckipark.ch
Project status	First stage completed, second stage being executed
Letting status	Building F (office) being marketed, buildings H, G and I (laboratory and office) fully let
Completion	First stage: 2021, second stage: 2024

Basel, Steinenvorstadt 5	
Project description	Total renovation and conversion of a retail property to residential with services, gastronomy and retail use on the ground floor and basement floor. The property has six full floors, an attic, a service floor and five basement floors in total. Investment volume: approx. CHF 56 million
Project status	In planning
Letting status	Interim letting
Completion	Q1 2026

Berne, Stauffacherstrasse 131: Berne 131	
Project description	Flexible office and commercial space in timber hybrid construction using solar panels on the roof and façade. Investment volume: approx. CHF 79 million. Further information: bern131.ch
Project status	Project being executed
Letting status	Currently being marketed
Completion	Q1 2025

Lancy, Esplanade de Pont-Rouge 5, 7, 9: Alto Pont-Rouge	
Project description	Construction of a new services building with 15 upper floors and flexible use areas. Investment volume: approx. CHF 306 million. Further information: alto-pont-rouge.ch
Project status	Project being executed
Letting status	Currently being marketed
Completion	2023

Olten, Solothurnerstrasse 201a: USEGO-Park	
Project description	Construction of a new residential and care facility for Tertianum on the USEGO site in Olten. Investment volume: approx. CHF 35 million
Project status	Project being executed
Letting status	100% let
Completion	Q1 2024

Paradiso, Riva Paradiso 3, 20: Tertianum Residenz Du Lac	
Project description	New senior citizens' residence with 60 apartments and a geriatric care centre with 40 beds. Investment volume: approx. CHF 74 million
Project status	Project being executed
Letting status	100% let
Completion	Q1 2024

Schlieren, Zürcherstrasse 39: JED modification – Join. Explore. Dare.	
Project description	Conversion of the former printing centre into a location for knowledge transfer, innovation and entrepreneurship. Investment volume: approx. CHF 145 million (full fit-out) Further information: jed.swiss
Project status	Basic fit-out completed
Letting status	Currently being marketed
Completion	Q1 2023

Schlieren, Zürcherstrasse 39: JED new building – Join. Explore. Dare.	
Project description	Construction of a new building on the building land reserve to complete the site development. Large contiguous areas on five floors, including laboratory uses on the ground floor/first floor. Investment volume: approx. CHF 105 million (full fit-out) Further information: jed.swiss
Project status	Project being executed
Letting status	95% let, 5% reserved
Completion	2024

Zurich, Müllerstrasse 16, 20	
Project description	Total renovation of an office property. The property has six full floors, an attic, a service floor and three basement floors. Investment volume: approx. CHF 222 million.
Project status	Project being executed
Letting status	100% let
Completion	2023

A more detailed description of the development and new construction projects has been published on our website at www.sps.swiss/developments.

5.3 Result from investment property sales

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Gains from sales of properties	–	2 866
Gains from sales of properties held for sale	39 916	48 011
Total result from investment property sales, net	39 916	50 877

We sold 13 properties in the 2022 financial year:

- Seven existing properties to Swiss Prime Site Solutions Investment Fund Commercial as part of the launch (seed portfolio). The transaction with a total value of around CHF 80 million was completed under market conditions based on appraisals of independent valuation experts and was approved by FINMA.
- Two existing properties in St. Gallen (Spisergasse 12 and Turmgasse)
- Three existing properties in Neuchâtel (Rue de l'Ecluse 19/parking, Rue du Temple-Neuf 11 and Rue du Temple-Neuf 14)
- An existing property in Plans-les-Ouates (Espace Tourbillon – building B)

We sold the following properties in the 2021 financial year:

- Geneva, Espace Tourbillon – individual units in building A
- Plan-les-Ouates, Espace Tourbillon – building E
- Richterswil, Gartenstrasse 15
- Zurich, Stadelhoferstrasse 18/20

5.4 Real estate costs

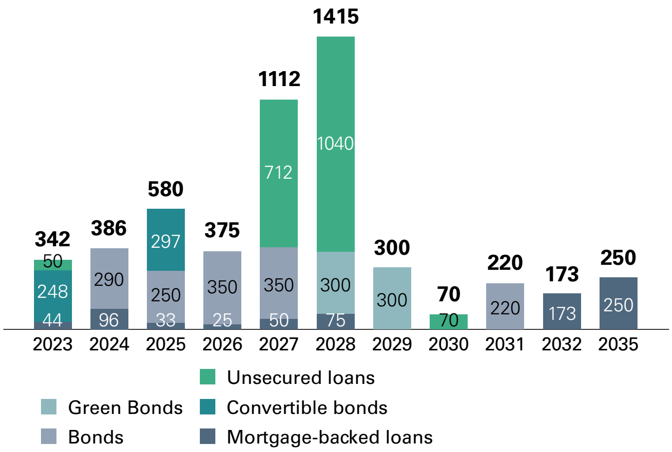
in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Maintenance and repair costs	–13 891	–16 018
Ancillary costs borne by the owner	–16 249	–17 393
Property-related insurance costs and fees	–7 922	–7 839
Costs for cleaning, energy and water	–4 045	–4 556
Expenses for third-party services	–5 813	–5 769
Expenses for real estate services	–4 782	–4 185
Total real estate costs	–52 702	–55 760

6 Financing

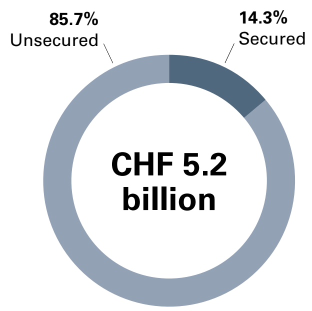
6.1 Financial liabilities

Financial liabilities are initially recognised in the balance sheet at cost less transaction costs in accordance with IFRS 9. In subsequent periods, they are recognised at amortised cost, whereby the effective interest rate method is used to amortise the difference between the book value and the redemption value.

Maturity profile (without leasing)
Nominal values in CHF million
as at 31.12.2022



Financial structure (without leasing)
as at 31.12.2022



in CHF 1 000	31.12.2021	31.12.2022
Mortgage-backed loans	858	44 520
Unsecured loans (private placement)	–	50 000
Convertible bonds	–	247 026
Current lease liabilities	13 661	14 321
Total current financial liabilities	**14 519**	**355 867**
Mortgage-backed loans	844 700	701 000
Unsecured loans	1 702 000	1 822 000
Convertible bonds	541 165	295 652
Bonds (incl. green bonds)	2 059 319	2 059 187
Non-current lease liabilities	268 331	271 718
Total non-current financial liabilities	**5 415 515**	**5 149 557**
Total financial liabilities	**5 430 034**	**5 505 424**

- Based on the financial liabilities (excluding leases) of the Real Estate segment, the loan-to-value ratio of the property portfolio was 38.9% [40.2%].
- Our solid financial structure is one of several key reasons why Moody’s gave us an A3 long-term issuer rating with a stable outlook in January 2022. As at September 2022, Moody’s renewed and confirmed our rating.
- On 1 December 2021, Swiss Prime Site concluded a deal with 11 Swiss banking institutions for two unsecured credit facilities worth CHF 2.600 billion. This brought about the discharge of mortgage-backed loans. On the other hand, Swiss Prime Site is securing committed credit facilities, which are subject to a commitment fee.
- As at 31 December 2022, we had committed, undrawn credit facilities (RCF) of CHF 778.000 million [CHF 898.000 million]. The two agreements have a term to maturity of five and six years respectively, and both include an option to extend. The most important financial covenants relate to the loan-to-value ratio (LTV) and the interest coverage ratio. The loan-to-value ratio (financial liabilities as a percentage of total assets) may not exceed 50% over a six-month period and must never exceed 55%. The interest coverage ratio is calculated by dividing income from the rental of properties by interest expense, and must be at least 4.0. As at the balance sheet date, the loan-to-value ratio was 38.7% [39.2%] and the interest coverage ratio was 10.8 [8.5]. In the course of the refinancing process, early repayment charges of CHF 24.913 million were paid and recognised under financial expenses during the previous year.

- On 11 February 2021, Swiss Prime Site Finance AG issued a seven-year green bond in the amount of CHF 300.000 million with an interest rate of 0.375%. The criteria for classification as a green bond are set out in our Green Bond Framework and are reviewed annually.

Bonds

		CHF 190 m 2024	CHF 100 m 2024	CHF 250 m 2025	CHF 350 m 2026
Issuing volume, nominal	CHF m	190.000	100.000	250.000	350.000
Book value as at 31.12.2022	**CHF m**	**189.964**	**99.838**	**249.972**	**351.263**
Book value as at 31.12.2021	CHF m	189.940	99.755	249.962	351.639
Interest rate	%	1.0	2.0	0.5	0.825
Term to maturity	years	6	10	9	9
Maturity	date	16.07.2024	10.12.2024	03.11.2025	11.05.2026
Securities number		39 863 325 (SPS181)	25 704 217 (SPS142)	33 764 553 (SPS161)	36 067 729 (SPS17)
Fair value as at 31.12.2022	**CHF m**	**186.390**	**99.900**	**240.000**	**331.975**
Fair value as at 31.12.2021	CHF m	194.370	105.350	252.625	358.750

		CHF 350 m 2027	Green Bond CHF 300 m 2028	Green Bond CHF 300 m 2029	CHF 220 m 2031
Issuing volume, nominal	CHF m	350.000	300.000	300.000	220.000
Book value as at 31.12.2022	**CHF m**	**351.214**	**299.446**	**299.437**	**218.053**
Book value as at 31.12.2021	CHF m	351.499	299.338	299.356	217.830
Interest rate	%	1.25	0.375	0.65	0.375
Term to maturity	years	8	7	9	12
Maturity	date	02.04.2027	11.02.2028	18.12.2029	30.09.2031
Securities number		41 904 099 (SPS19)	58 194 781 (SPS21)	58 194 773 (SPS200)	48 850 668 (SPS192)
Fair value as at 31.12.2022	**CHF m**	**331.450**	**266.250**	**260.100**	**177.100**
Fair value as at 31.12.2021	CHF m	364.525	299.100	302.550	213.730

Convertible bonds

We issued our convertible bonds under conditions differing from those for bonds without conversion rights. We therefore divide the convertible bonds at the date of issue into debt and equity components. In the event of a conversion, we calculate the number of shares to be issued using the conversion price. We credit the nominal value of the shares issued to the share capital and credit the remainder to the capital reserve.

		CHF 250 m 2023	CHF 300 m 2025
Issuing volume, nominal	CHF m	250.000	300.000
Nominal value as at 31.12.2022	CHF m	247.500	296.630
Book value as at 31.12.2022	**CHF m**	**247.026**	**295.652**
Book value as at 31.12.2021	CHF m	245.990	295.175
Conversion price	CHF	104.07	100.35
Interest rate	%	0.25	0.325
Term to maturity	years	7	7
Maturity	date	16.06.2023	16.01.2025
Securities number		32 811 156 (SPS16)	39 764 277 (SPS18)
Fair value as at 31.12.2022	**CHF m**	**245.619**	**287.731**
Fair value as at 31.12.2021	CHF m	248.861	301.821

Conversion price and number of possible shares given 100% conversion

Convertible bonds	31.12.2021 Conversion price in CHF	Number of possible shares	31.12.2022 Conversion price in CHF	Number of possible shares
0.25%-convertible bond 16.06.2016–16.06.2023, issuing volume CHF 250.000 million, nominal value CHF 247.500 million	104.07	2 378 206	104.07	2 378 206
0.325%-convertible bond 16.01.2018–16.01.2025, issuing volume CHF 300.000 million, nominal value CHF 296.630 million	100.35	2 955 954	100.35	2 955 954
Total number of possible shares		5 334 160		5 334 160

– Creditors of the convertible bond in the amount of CHF 300.000 million who exercise their conversion right will receive the nominal value of the convertible bond in cash and any additional amount in the form of registered shares of the Company, subject to Swiss Prime Site AG exercising its right to choose, at its discretion, any combination of cash and shares to settle the bond conversions. Based on the Company's option right, no conditional capital is reserved for potential conversions. Because of the current structure of the conversion option, it does not constitute an equity instrument and is therefore not separated.

Current and non-current financial liabilities excluding lease liabilities, categorised by interest rate

in CHF 1 000	31.12.2021 Total nominal value	31.12.2022 Total nominal value
Financial liabilities up to 1.00%	4 238 488	3 216 450
Financial liabilities up to 1.50%	576 000	1 718 000
Financial liabilities up to 2.00%	284 700	254 700
Financial liabilities up to 2.50%	32 500	32 500
Financial liabilities up to 3.00%	–	–
Financial liabilities up to 3.50%	–	–
Financial liabilities up to 4.00%	20 000	–
Total financial liabilities	5 151 688	5 221 650

Overview of future cash outflows (including interest) from all financial liabilities

			<6 months		6 to 12 months		1 to 2 years		2 to 5 years		>5 years	
in CHF 1 000	31.12.2022 Book value	Future cash outflows	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal
Current financial liabilities without leasing	341 546	342 824	803	298 320	1	43 700	–	–	–	–	–	–
Accounts payable	43 641	43 641	–	43 641	–	–	–	–	–	–	–	–
Accrued expenses without capital taxes	136 536	136 536	–	136 536	–	–	–	–	–	–	–	–
Other current liabilities	110 145	110 145	–	110 145	–	–	–	–	–	–	–	–
Non-current financial liabilities without leasing	4 877 839	5 120 889	23 655	–	22 229	–	44 590	386 000	104 829	2 066 130	45 956	2 427 500
Leasing liabilities	286 039	440 186	2 085	5 151	2 061	5 167	4 055	10 100	11 792	20 100	134 154	245 521
Total financial liabilities	5 795 746	6 194 221	26 543	593 793	24 291	48 867	48 645	396 100	116 621	2 086 230	180 110	2 673 021

in CHF 1 000	31.12.2021 Book value	Future cash outflows	<6 months Interest	<6 months Nominal	6 to 12 months Interest	6 to 12 months Nominal	1 to 2 years Interest	1 to 2 years Nominal	2 to 5 years Interest	2 to 5 years Nominal	>5 years Interest	>5 years Nominal
Current financial liabilities without leasing	858	862	4	858	–	–	–	–	–	–	–	–
Accounts payable	25 297	25 297	–	25 297	–	–	–	–	–	–	–	–
Accrued expenses without capital taxes	150 801	150 801	–	150 801	–	–	–	–	–	–	–	–
Other current liabilities	129 937	129 937	–	129 937	–	–	–	–	–	–	–	–
Non-current financial liabilities without leasing	5 147 184	5 336 855	18 084	–	15 131	–	30 735	291 200	69 487	1 772 130	52 588	3 087 500
Leasing liabilities	281 992	426 610	2 008	4 788	1 985	5 022	3 902	10 103	11 182	25 340	125 541	236 739
Total financial liabilities	**5 736 069**	**6 070 362**	**20 096**	**311 681**	**17 116**	**5 022**	**34 637**	**301 303**	**80 669**	**1 797 470**	**178 129**	**3 324 239**

– The weighted average residual term to maturity of all interest-bearing financial liabilities was 5.0 years due to the contractual maturities [5.8 years].

Reconciliation of cash flow from financing activities

in CHF 1 000	31.12.2021	Issuance	Repayment	No cash effect	31.12.2022
Mortgage-backed loans	845 558	–	–100 038	–	745 520
Unsecured loans (incl. private placements)	1 702 000	472 000	–302 000	–	1 872 000
Convertible bonds	541 165	–	–	1 513	542 678
Bonds (incl. green bonds)	2 059 319	–	–	–132	2 059 187
Lease liabilities	281 992	–	–10 024	14 071	286 039
Total financial liabilities	**5 430 034**	**472 000**	**–412 062**	**15 452**	**5 505 424**

in CHF 1 000	31.12.2020	Issuance	Repayment	No cash effect	31.12.2021
Mortgage-backed loans	2 714 870	102 503	–1 971 815	–	845 558
Unsecured loans (incl. private placements)	–	1 702 000	–	–	1 702 000
Convertible bonds	539 651	–	–	1 514	541 165
Bonds (incl. green bonds)	1 909 442	449 878	–300 000	–1	2 059 319
Lease liabilities	290 640	–	–8 672	24	281 992
Other financial liabilities	338	–	–	–338	–
Total financial liabilities	**5 454 941**	**2 254 381**	**–2 280 487**	**1 199**	**5 430 034**

– The borrowing and redemption of current financial liabilities (less than three months) was shown net. In the 2022 semi-annual report, this was still shown gross.

6.2 Financial result

We recognise in profit or loss borrowing costs that do not qualify for capitalisation, using the effective interest rate method.

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Interest expenses financial liabilities	–50 148	–39 921
Interest expenses leasing	–4 059	–4 005
Early repayment charges	–24 913	–
Amortisation of issue expenses bonds and convertible bonds	–1 514	–1 381
Capitalised borrowing costs[1]	6 410	4 473
Other financial expenses	–1 583	–4 383
Total financial expenses	–75 807	–45 217

[1] An average financing cost rate of 0.78% [0.98%] was used for capitalised borrowing costs

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Interest income	198	157
Dividend income on securities and financial investments	113	95
Other financial income	2 376	233
Total financial income	2 687	485

6.3 Pledged assets

in CHF 1 000	31.12.2021	31.12.2022
Fair value of affected investment properties	2 102 027	1 928 011
Nominal value of pledged mortgage notes	1 011 386	875 134
Current claim (nominal)	845 558	745 520

6.4 Shareholders' equity

Shareholders' equity

We divide shareholders’ equity into share capital, capital reserves, revaluation reserves and retained earnings. We recognise the nominal share capital in share capital. We recognise revaluation gains of owner-occupied properties in the revaluation reserves to the extent they exceeded previous impairments. Impairments of owner-occupied properties first reduce the revaluation reserves; impairments in excess of this are recognised affecting net income. We recognise gains/losses in retained earnings. Remeasurements of net defined benefit assets / obligations recognised in other comprehensive income and the related deferred taxes are charged/credited to retained earnings. We charge dividend payments to retained earnings. We offset all other changes in capital with the capital reserves.

Treasury shares

We measure treasury shares at cost and recognise them as a negative item in shareholders’ equity. Following initial measurement, we do not undertake any subsequent measurement of our treasury shares. We book any profit of sale to the capital reserves.

Share capital

	Number of registered shares issued	Nominal value in CHF	in CHF 1 000
Share capital as at 01.01.2021	**75 970 364**	**15.30**	**1 162 347**
Share capital as at 31.12.2021	**75 970 364**	**15.30**	**1 162 347**
Capital increase (acquisition Akara Group)	748 240	15.30	11 448
Nominal value reduction – payment to shareholders	76 699 051	1.675	– 128 471
Nominal value reduction – transfer to reserves	76 699 051	11.625	– 891 627
Nominal value reduction – treasury shares	19 553	13.30	– 260
Share capital as at 31.12.2022	**76 718 604**	**2.00**	**153 437**

- The 14 719 [655] treasury shares held at 31 December 2022 were not entitled to dividends. As at the balance sheet date, the dividend-entitled share capital of CHF 153.408 million [CHF 1 162.337 million] therefore comprised 76 703 885 [75 969 709] registered shares.

Authorised and conditional capital

	Number of registered shares	Nominal value in CHF	in CHF 1 000
Authorised and conditional capital as at 01.01.2021	**6 975 985**	**15.30**	**106 733**
Authorised and conditional capital as at 31.12.2021	**6 975 985**	**15.30**	**106 733**
Appropriation of authorised capital due to capital increase (acquisition Akara Group)	– 748 240	15.30	– 11 448
Nominal value reduction – authorised and conditional capital	6 227 745	– 13.30	– 82 830
Authorised and conditional capital as at 31.12.2022[1]	**6 227 745**	**2.00**	**12 455**

[1] Due to the issue of a convertible bond, 2 378 206 shares (CHF 4.756 million) from conditional capital have been reserved for potential conversions. According to article 3a of the Articles of Association, the Board of Directors can therefore only increase the share capital by an amount of CHF 7.699 million, which corresponds to 3 849 539 shares

- The Board of Directors is authorised to increase the share capital to the extent mentioned above at any time until 23 March 2023.
- According to articles 3a and 3b, para. 1, of the Company's current Articles of Association, overall share capital (authorised and conditional capital) may be increased by a maximum of CHF 12.455 million. The precise wording regarding authorised and conditional capital can be found in the Company's Articles of Association.

Capital reserves

	in CHF 1 000
Capital reserves as at 01.01.2021	**177 198**
Distribution from capital contribution reserves	– 127 248
Share-based compensation	77
Income from delivery of treasury shares relating to share-based compensation	– 11
Capital reserves as at 31.12.2021	**50 016**
Capital increase on 04.01.2022	54 316
Nominal value reduction – transfer to reserves	891 590
Share-based compensation	– 397
Income from delivery of treasury shares relating to share-based compensation	80
Capital reserves as at 31.12.2022	**995 605**

- Capital reserves are based on above-par issues on foundation, capital increases as well as changes from trading with subscription rights, treasury shares and share-based compensation.
- As at the balance sheet date, Swiss Prime Site AG's reserves consisted of a non-distributable amount (legal reserves) of CHF 30.687 million (CHF 232.470 million).

Treasury shares

	in CHF 1 000
Treasury shares as at 01.01.2021	**–161**
Purchase of treasury shares, 32 550 shares, CHF 89.21 average transaction price	–2 904
Share-based compensation, 33 739 shares, CHF 88.78 average transaction price	2 996
Income from delivery of treasury shares relating to share-based compensation	11
Treasury shares as at 31.12.2021	**–58**
Purchase of treasury shares, 57 949 shares, CHF 89.37 average transaction price[1]	–5 179
Share-based compensation, 43 885 shares, CHF 89.85 average transaction price	3 943
Income from delivery of treasury shares relating to share-based compensation	–80
Treasury shares as at 31.12.2022	**–1 374**

[1] Includes the non-cash addition of 23 549 registered shares (CHF 2.091 million) from the capital increase.

– As at the balance sheet date, the group companies held 14 719 shares [655 shares] and the group's employee pension fund foundations held 225 946 shares [228 946 shares] in Swiss Prime Site AG.

7 Platform costs

7.1 Personnel costs

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Wages and salaries	– 144 482	– 154 659
Social security expenses	– 9 619	– 12 069
Defined benefit cost	– 16 862	– 15 972
Other personnel expenses	– 5 926	– 6 715
Total personnel costs	**– 176 889**	**– 189 415**
Number of employees as at 31.12.	1 667	1 779
Number of full-time equivalents as at 31.12.	1 474	1 567

7.2 Other operating expenses

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Expenses for tangible assets and IT	– 14 309	– 17 420
Non-life insurance, fees	– 748	– 1 759
Capital taxes	– 3 824	– 2 082
Administrative expenses	– 9 756	– 12 539
Consultancy and audit costs	– 6 571	– 10 562
Marketing	– 5 535	– 5 937
Collection and bad debt-related losses	– 3 202	– 1 022
Total other operating expenses	**– 43 945**	**– 51 321**

7.3 Income taxes

Income taxes

We recognise current income taxes and deferred taxes under income taxes. Current income taxes comprise the expected tax liability on the taxable profit calculated at the tax rates applicable on the balance sheet date, property gains taxes on real estate sales and adjustments to tax liabilities or tax assets for previous years.

Deferred taxes are calculated based on the temporary valuation differences between the book value and the tax base of a balance sheet item (balance sheet liability method). In the calculation, we take account of the expected date of reconciliation of the temporary differences and use the tax rates applicable or determined at the balance sheet date.

We calculate deferred taxes on temporary valuation differences in the property portfolio per property in accordance with the cantonal legislation. We review the applied calculation parameters (especially the tax rates) at least once a year and adapt them if necessary. Cantons with a one-tier tax system charge a separate property gains tax. In addition to ordinary property gains tax, this includes speculative surcharges or complemented ownership deductions (based on the effective holding period). The longer the duration of ownership, the lower the property gains tax. In the case of properties held for sale, we use the effective holding period in the calculation. For other types of properties, we assume a duration of ownership of 20 years or use the effective holding period if it is more than 20 years. Estimating the minimum holding period is subject to considerable discretion.

Where the positive revaluations of properties according to IFRS versus the tax bases are due to recaptured depreciation, the taxes are calculated separately for each property after the deduction of property gains tax and using cantonal tax rates. In the case of positive revaluations exceeding the recapturable depreciation, in cantons with a one-tier tax system the taxes are calculated with property gains tax rates including surcharges and discounts. For cantons that do not levy any special taxes, the taxes are calculated at cantonal rates.

We recognise tax effects from losses carried forward and tax credits as deferred tax assets if it is likely that the losses carried forward can be offset against future profits within the stipulated statutory periods.

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Current income taxes of the reporting period	–39 528	–41 701
Adjustments for current income taxes of other accounting periods	1 468	–2 585
Total current income taxes	**–38 060**	**–44 286**
Deferred taxes resulting from revaluation and depreciation	–115 430	–76 978
Deferred taxes resulting from real estate developments (long-term contracts)	7 729	–
Deferred taxes resulting from the sale of investment properties	7 865	13 857
Deferred taxes resulting from tax rate changes	1 648	3 947
Deferred taxes resulting from losses carried forward	1 543	–6 733
Total deferred taxes	**–96 645**	**–65 907**
Total income taxes	**–134 705**	**–110 193**

Numerical reconciliation of income taxes

Factors leading to the deviation of the effective tax burden from the average tax rate of 20% [20%]:

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Profit before income taxes	633 597	514 622
Income taxes at average tax rate of 20%	–126 719	–102 924
Taxes at other rates (including property gains taxes)	–11 241	5 424
Tax effect due to investment deduction	198	378
Deferred taxes resulting from tax rate changes	1 648	3 947
Adjustment for current income taxes for other accounting periods	1 468	–2 585
Effect of unrecognised losses carried forward	–59	–14 433
Total income taxes	**–134 705**	**–110 193**

Deferred income tax assets

in CHF 1 000	31.12.2021	31.12.2022
Taxable losses carried forward of group companies	36 639	75 140
Possible tax effect on taxable losses carried forward at expected tax rate	**7 328**	**15 028**
Losses carried forward which can in all probability be offset with future profits	–34 594	–928
Total recognised deferred tax assets at expected tax rate	–6 919	–186
Total deferred tax assets not recognised at expected tax rate	**409**	**14 842**
Total deferred income tax assets	**6 919**	**186**

– In the previous year, deferred tax liabilities of CHF 16.048 million were created with the IAS 19 pension assets of CHF 80.239 million (see note 7.3). In connection with this, deferred tax assets were recognised from losses carried forward of CHF 6.919 million that would not have been capitalised without the corresponding deferred tax liabilities (criteria for capitalisation not met). In the reporting year, the pension assets (see note 9.7) were reduced to CHF 5.752 million and the related deferred tax liabilities to CHF 0.910 million. Most of the capitalised losses carried forward were therefore also released.

Expiring taxable loss carryforwards

The expiry of taxable loss carryforwards of group companies for which no deferred tax assets were recognised is as follows:

in CHF 1 000	31.12.2021	31.12.2022
After 1 year	1	7 125
After 2 years	3	203
After 3 years	203	4 236
After 4 years	205	934
After 5 years	661	15 871
After 6 years	424	8 268
After 7 or more years	548	37 575
Total expiring taxable losses carried forward	2 045	74 212

– The change between the reporting year and previous period is due to the partial release of the capitalised losses carried forward in the current financial year.

Deferred tax liabilities

in CHF 1 000	2021	2022
Deferred tax liabilities as at 01.01.	1 174 214	1 279 736
Change due to acquisitions/divestments of group companies	–	2 428
Change due to real estate developments (long-term contracts)	–7 729	–
Change due to revaluation and depreciation, net, recognised in income statement	115 430	76 978
Change due to revaluation, net, recognised in other comprehensive income	7 363	–13 018
Change through property disposals	–7 865	–13 857
Tax rate changes	–1 648	–3 947
Other changes	–29	–
Deferred tax liabilities as at 31.12.	1 279 736	1 328 320

– We calculated deferred taxes on temporary valuation differences in the property portfolio using cantonal tax rates of 4.4% to 14.4% [4.4% to 14.3%] and property gains tax rates surcharges and discounts of 4.0% and 26.0% [11.1% and 27.0%].
– We calculated deferred taxes on properties based on the assumption that the minimum duration of ownership is 20 years. Given a holding period of 15 years, the relevant deferred tax liabilities on future property gains would have been roughly 2.2% higher. Given a reduction of the holding period to ten years, deferred tax liabilities would have been around 4.1% higher.

Origin of deferred tax assets and liabilities

in CHF 1 000	Asset 31.12.2021	Liability 31.12.2021	Asset 31.12.2022	Liability 31.12.2022
Valuation differences properties	–	1 261 968	–	1 323 029
Net defined benefit assets / liabilities	–	16 048	–	910
Taxable losses carried forward capitalised	6 919	–	186	–
Fund contract	n.a.	n.a.	–	2 654
Other	–	1 720	–	1 727
Total deferred tax asset / liability	6 919	1 279 736	186	1 328 320

8 Financial risk management

Swiss Prime Site is exposed to a broad spectrum of opportunities and risks, and we have implemented systematic and continuous risk management processes for dealing with these. The following notes should be read as an addition to risk management and climate-related financial risks, which we disclose in the appendix to the Sustainability Report.

We focus here on financial risks according to IFRS 7 and allocate the risks to the following categories:

Risk category	General description of the risk category
Market risk	We understand market risk to mean the risk that the future cash flows or fair value will change due to market changes
Liquidity risk	We understand liquidity risk to mean the risk that we cannot meet our financial obligations
Default risk	We understand default risk to mean the risk that our business partners cannot meet their contractual obligations and we suffer a financial loss

Risk	Measures	Financial impact
– Rising discount rates have a significant negative impact on the fair value of our properties (market risk)	– To limit the impact, we attach importance to having a strong financing structure – In most cases, we enter into indexed rental contracts with our tenants	– We disclose the financial impact on our property portfolio of changes in discount rates in the sensitivity analyses in the Financial Report, in section 5.2 Properties
– Rising interest rates adversely affect our income statement (market risk)	– The balanced maturity profile of our financial liabilities enables us to smooth out interest rate fluctuations. We also ensure a safe mix between variable and fixed interest financial liabilities	– If the interest rate changes by +/- 0.5% for variable interest financial liabilities, the future annual interest expense will change by +/- CHF 5.610 million [CHF 4.610 million]. – We disclose financial liabilities broken down by interest rate in the financial report, in section 6.1. Financial liabilities
– Market changes make it harder to refinance our financial liabilities / We cannot meet the covenants of our financing (liquidity risk)	– Our capital management principles include measures for the ongoing optimisation of the equity and debt mix. – We are increasing financial flexibility by replacing secured borrowing with unsecured. – We plan our financial liabilities with a balanced maturity profile and diversification of lenders. – We regularly review whether we are meeting the agreed financial covenants for the financing raised and take account of them in our business planning	– Important financial covenants for our financing are the loan-to-value ratio (LTV), the interest coverage ratio and the proportion of secured borrowing (permitted security). The loan-to-value ratio must not exceed 50% over a six-month period and must never exceed 55%. The interest coverage ratio must be at least 4.0 and the proportion of secured borrowing must not be more than 20%. As at the balance sheet date, the loan-to-value ratio was 38.7% [39.2%], the interest coverage ratio was 10.8 [8.5] and the proportion of secured borrowing was 14.3% [16.4%] – We disclose the future cash outflows from financial liabilities in the «Financial Report» in section 6.1. Financial liabilities
– Short-term capital requirement is not covered (liquidity risk)	– We have committed, undrawn credit facilities that we can draw on any time	– We disclose the current committed, undrawn credit facilities in the financial report in section 6.1. Financial liabilities
– Our tenants cease to meet their contractual obligations (default risk)	– A balanced tenant mix, avoiding dependency on major tenants, active credit control and the obtaining of security deposits reduce the default risk	– Our tenants pay us the rent in five [five] days on average – In addition, we only need to recognise impairments for 0.2% [0.7%] of our rent receivables
– Our other customers cease to meet their contractual obligations (default risk)	– In the case of other receivables, we largely work on a long-term basis with institutional clients, for which we also often handle treasury operations. Other customers often pay for our service with credit cards or directly at checkouts	– No material financial impact
– Our partner banks cease to meet their contractual obligations (default risk)	– Cash is only invested with first-class Swiss banking institutions regulated by FINMA	– No material financial impact

We have the following maximum default risk:

in CHF 1 000	31.12.2021	31.12.2022
Bank deposit	113 161	19 508
Receivables	45 617	45 297
Accrued income and prepaid expenses without capital tax assets	27 110	39 816
Non-current financial assets	4 285	9 500
Total risk	**190 173**	**114 121**

- We are not exposed to any material currency risk because we only operate in Switzerland and do not conduct transactions in foreign currency. In addition, we do not currently hold any derivative financial instruments. We would only enter into these in the future for the purpose of hedging interest risks.

9 Other disclosures

9.1 Accounts receivable

We measure accounts receivable at amortised cost, which is usually the nominal value. We assess the individual receivables for their collectibility and recognise any necessary loss allowances. The loss allowances are calculated in the extent of the expected credit losses.

in CHF 1 000	31.12.2021	31.12.2022
Accounts receivable (gross)	45 949	49 620
Impairments	–6 600	–6 961
Total accounts receivable	**39 349**	**42 659**

– Most of the accounts receivable related to claims for rent and ancillary costs.

Maturities of receivables

in CHF 1 000	31.12.2021 Gross receivables	Impairments	31.12.2022 Gross receivables	Impairments
Not yet due	34 257	–841	36 612	–100
Due between 1 and 30 days	3 625	–269	4 366	–1 307
Due between 31 and 90 days	1 875	–1 206	2 014	–1 273
Due between 91 and 120 days	414	–404	390	–343
Due for more than 120 days	5 778	–3 880	6 238	–3 938
Total gross receivables and impairments	**45 949**	**–6 600**	**49 620**	**–6 961**

9.2 Inventories

We recognise inventories at average cost, but no higher than the net realisable value. We additionally write down goods that are hard to sell or have a long storage period.

in CHF 1 000	31.12.2021	31.12.2022
Merchandise	35 482	36 672
Other inventories	13	70
Impairments	–2 232	–8 738
Total inventories	**33 263**	**28 004**

– The impairments in the reporting period include additional impairments on the Jelmoli inventory in the amount of CHF 7.084 million.

9.3 Tangible assets and intangible assets

Tangible assets
We recognise tangible assets at acquisition or production cost less accumulated depreciation and any impairments. We charge expenses for repairs and maintenance directly to the consolidated income statement.

Intangible assets
We recognise intangible assets at cost less accumulated amortisation and any impairments.

Depreciation and amortisation
We allocate depreciation and amortisation on a straight-line basis over the economically useful life. We depreciate tenants' improvements and furniture over eight years and hardware over five years. Software is amortised over five years or over the economically useful life, if shorter. The fund contract is amortised over 20 years.

Impairments

We assess the recoverability of tangible assets and intangible assets whenever changed circumstances or events indicate the possibility of an overvaluation of the carrying amount. If the carrying amount exceeds the recoverable amount, we recognise an impairment.

in CHF 1 000	Tenants' improvements	Moveable assets	Total tangible assets	Fund contract	Software	Total intangible assets
Cost as at 01.01.2022	36 389	51 508	87 897	–	70 582	70 582
Additions	2 959	1 053	4 012	–	7 446	7 446
Additions from acquisitions	732	427	1 159	18 624	–	18 624
Disposals	–	–745	–745	–	–	–
Cost as at 31.12.2022	40 080	52 243	92 323	18 624	78 028	96 652
Cumulative depreciation, amortisation and impairment as at 01.01.2022	18 389	45 888	64 277	–	38 339	38 339
Depreciation and amortisation	3 992	2 713	6 705	931	9 725	10 656
Disposals	–	–617	–617	–	–	–
Impairment	15 514	2 552	18 066	–	15 390	15 390
Cumulative depreciation, amortisation and impairment as at 31.12.2022	37 895	50 536	88 431	931	63 454	64 385
Total as at 31.12.2022	2 185	1 707	3 892	17 693	14 574	32 267

- The fund contract in the reporting year was capitalised in connection with the acquisition of the Akara Group (see note 9.10).
- In the reporting period, Wincasa (Services segment) restarted the ERP project. This resulted in an impairment of software amounting CHF 6.238 million.
- The operating business of Jelmoli will no longer be continued by Swiss Prime Site from the end of 2024 (further information see note 9.13). As a consequence, the non-current assets have to be valued against this background. Accordingly we recognised impairments of CHF 18.066 million on tangible assets (Services segment) and of CHF 9.152 million on software (CHF 6.896 million in the Real Estate segment and CHF 2.256 million in the Services segment).

in CHF 1 000	Tenants' improvements	Moveable assets	Total tangible assets	Fund contract	Software	Total intangible assets
Cost as at 01.01.2021	32 102	50 731	82 833	–	54 808	54 808
Additions	4 287	777	5 064	–	15 774	15 774
Cost as at 31.12.2021	36 389	51 508	87 897	–	70 582	70 582
Cumulative depreciation, amortisation and impairment as at 01.01.2021	14 435	42 442	56 877	–	29 358	29 358
Depreciation and amortisation	3 954	3 446	7 400	–	8 981	8 981
Cumulative depreciation, amortisation and impairment as at 31.12.2021	18 389	45 888	64 277	–	38 339	38 339
Total as at 31.12.2021	18 000	5 620	23 620	–	32 243	32 243

9.4 Leasing

Swiss Prime Site as lessor

As a rule, property leases and land lease contracts are operating lease contracts, which are generally recognised in the consolidated income statement over the duration of the contract. In some of the rental contracts, target turnovers have been agreed upon with the tenants (i.e. turnover rents). If these are exceeded on an annual basis, the resulting rental income is booked or accrued in the reporting year.

Swiss Prime Site as lessee

Our right-of-use that are recognised can be broken down into two categories: Right-of-use from land lease contracts and right-of-use from the leasing of office space.

For low-value assets and leases with terms of less than 12 months, no right-of-use or lease liabilities were recognised in the balance sheet.

The right-of-use from office space are depreciated on a straight line basis over their economically useful life. In accordance with IFRS 16 and IAS 40.50d, the rights of use from land leases are reported gross by adding the fair value of the lease liability to the fair value of the property. The lease liabilities represent the present value of the expected future lease payments and are calculated using the effective interest rate method.

The right-of-use where we are a lessee have changed as follows:

in CHF 1 000	Land lease	Office Space	Total
Total as at 01.01.2021	**241 696**	**48 944**	**290 640**
Depreciation / revaluation	–3 019	–5 812	–8 831
Additions	25	–	25
Total as at 31.12.2021	**238 702**	**43 132**	**281 834**
Depreciation / revaluation	–725	–14 121	–14 846
Additions	17 219	1 726	18 945
Total as at 31.12.2022	**255 196**	**30 737**	**285 933**

- The interest expenses from lease liabilities recognised in the reporting period were CHF 4.005 million [CHF 4.059 million].
- The cash flow from leasing contracts amounted to CHF 14.028 million [CHF 12.731 million].

9.5 Goodwill

We recognise goodwill from acquisitions at the residual value (difference between the purchase price and the fair value of the net assets acquired in accordance with IFRS 3). We do not periodically amortise goodwill. However, it is tested for impairment at least once a year. This impairment test is based on assumptions for calculating the value in use, such as growth rates and discount rates, and is based on the smallest identifiable cash generating unit (CGU) in accordance with IAS 36. It is possible that these assumptions will prove to be inaccurate in the future. Likewise, the actual cash flows may differ from the discounted projections.

in CHF 1 000	2021	2022
Cost as at 01.01.	–	–
Additions	–	152 849
Cost as at 31.12.	–	**152 849**
Cumulative impairment as at 01.01.	–	–
Impairment	–	–
Cumulative impairment as at 31.12.	–	–
Total goodwill as at 31.12.	–	**152 849**

The goodwill is to be allocated in full to the CGU Swiss Prime Site Solutions AG (part of the Services segment). The CGU's recoverable amount is based on value in use.

The key assumptions underlying value in use are as follows:
- The cash flows are based on the business plan for the next five years, taking account of past experience. A constant growth rate of 2.5% [n/a] was used for the cash flows of the periods following the detailed outlook.
- A pre-tax discount rate of 10.6% [n/a] is applied for the CGU.

The CGU's value in use is significantly higher than the corresponding carrying amount as at the balance sheet date. In the Executive

Board's view, as at the balance sheet no realistically expectable changes in the key assumptions made could lead to the CGU's carrying amount exceeding the value in use. The impairment test was conducted in the fourth quarter of 2022.

The goodwill recognised in the reporting period is due to the acquisition of the Akara Group (see note 9.10).

9.6 Accrued expenses

in CHF 1 000	31.12.2021	31.12.2022
Renovation and project costs	112 764	103 863
Cost of goods sold	3 664	1 064
Other operating expenses	34 352	31 609
Current capital taxes	6 683	2 404
Interests	21	–
Total accrued expenses	157 484	138 940

9.7 Pension plans

Our group companies maintain different pension fund schemes, which are legally independent and financed from employer and employee contributions. In accordance with IAS 19, we treat all pension plans as defined benefit pension plans and have the present value of the pension plans calculated by external experts in accordance with the projected unit credit method. These actuarial appraisals are prepared separately for the individual pension plans. We record the difference between the fair value of the plan assets and the present value of benefit obligations in our balance sheet. We only recognise surpluses as net pension assets to the extent to which a future economic benefit arises for the Group in the form of lower contributions within the meaning of IFRIC 14.

- Swiss Prime Site ensures its employees have occupational pension insurance with regard to economic consequences of old age, disability and death within the framework of various pension schemes that are legally and financially separate from the employer.
- The occupational pension scheme operates on a funded basis. Individual retirement assets are saved during a working life, taking account of the insured annual salary and of the annual retirement credits plus interest. The lifelong retirement pension is calculated from the retirement assets available at the time of retirement, multiplied by the currently applicable pension conversion rate of 5.25% [5.4% to 5.5%].
- To finance the benefits, savings and risk contributions are collected from employees and employers as a percentage of the insured salary in accordance with the respective regulations or respective premium invoice of the collective foundation. At least 50% of the financing is provided by the employer.

Calculation assumptions

The following assumptions were used for the valuation of the occupational pension plans (weighted average values):

Assumptions

	in	31.12.2021	31.12.2022
Discount rate	%	0.3	2.2
Future salary increases	% p.a.	1.0	1.5
Future pension increases	% p.a.	–	–
Percentage of retirement benefits as pension upon retirement	%	30.0	30.0
Assumption to longevity of active insured persons with age of 45 (women)	years	45.5	45.7
Assumption to longevity of active insured persons with age of 45 (men)	years	43.8	43.9
Assumption to longevity of retirees with age of 65 (women)	years	24.5	24.6
Assumption to longevity of retirees with age of 65 (men)	years	22.7	22.8

Development of the defined benefit obligations

in CHF 1 000	2021	2022
Present value of defined benefit obligations as at 01.01.	**547 725**	**541 013**
Interest expense on defined benefit obligations	821	1 646
Current service cost (employer)	16 571	16 797
Contributions by plan participants	10 283	11 553
Benefits paid	–27 671	–23 400
Past service cost	–	–858
Change in scope of consolidation	–	10 762
Administration cost (excluding cost for managing plan assets)	274	273
Actuarial gain (–)/loss (+) on benefit obligations	–6 990	–96 103
Total present value of defined benefit obligations as at 31.12.	**541 013**	**461 683**

– The present value of defined benefit obligations for actively contributing insured persons was CHF 261.060 million [CHF 291.501 million] and for pensioners was CHF 200.623 million [CHF 249.512 million].

Development of the plan assets

in CHF 1 000	2021	2022
Fair value of plan assets as at 01.01.	**616 301**	**659 527**
Interest income on plan assets	923	2 001
Contributions by the employer	15 409	18 001
Contributions by plan participants	10 283	11 553
Benefits paid	–27 671	–23 400
Change in scope of consolidation	–	8 687
Return on plan assets excluding interest income	44 282	–58 422
Total fair value of plan assets as at 31.12.	**659 527**	**617 947**

– We expect to make contributions of CHF 15.550 million [CHF 14.916 million] to defined benefit pension plans in the 2023 financial year.

Net defined benefit assets

in CHF 1 000	31.12.2021	31.12.2022
Present value of defined benefit obligations	–541 013	–461 683
Fair value of plan assets	659 527	617 947
Overfund as at 31.12.	**118 514**	**156 264**
Adjustment due to asset ceiling	–38 275	–150 512
Net defined benefit assets	**80 239**	**5 752**

– For various group companies, an asset results as at 31 December 2021 and as at 31 December 2022 that can only be recognised within the framework of the asset ceiling if there is a corresponding economic benefit. In accordance with IFRIC 14, an economic benefit arises when the expected contributions by the employer fall below the following year’s service cost. The development of this asset ceiling is presented in the following table.

Development of the effect of the asset ceiling

in CHF 1 000	2021	2022
Asset ceiling as at 01.01.	**9 079**	**38 275**
Interest expense on effect of asset ceiling	14	115
Change in effect of asset ceiling excluding interest expense	29 182	112 122
Total asset ceiling as at 31.12.	**38 275**	**150 512**

Defined benefit cost / income

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Current service cost (employer)	– 16 571	– 16 797
Past service cost	–	858
Interest expense on defined benefit obligations	– 821	– 1 646
Interest income on plan assets	923	2 001
Interest expense on effect of asset ceiling	– 14	– 115
Administration cost (excluding cost for managing plan assets)	– 274	– 273
Defined benefit cost (–)/income (+)	**– 16 757**	**– 15 972**

Changes to the plan

There were no changes to the plan in either the reporting year or the previous year.

Remeasurement of net defined benefit obligations

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Actuarial gain (+)/loss(–) on defined benefit obligations	6 990	96 103
Return on plan assets excluding interest income	44 282	– 58 422
Change in effect of asset ceiling excluding interest expense	– 29 182	– 112 122
Remeasurement of net defined benefit obligations recognised in other comprehensive income	**22 090**	**– 74 441**

Actuarial gains or losses on defined benefit obligations

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Actuarial gain (+)/loss (–) arising from changes in financial assumptions	– 13 867	– 91 279
Actuarial gain (+)/loss (–) arising from experience adjustments	6 877	– 4 824
Total actuarial gain (+)/loss (–) on defined benefit obligations	**– 6 990**	**– 96 103**

Development of the net defined benefit assets

in CHF 1 000	2021	2022
Net defined benefit assets as at 01.01.	**59 497**	**80 239**
Defined benefit cost (–)/income (+) recognised in the consolidated income statement	– 16 757	– 15 972
Remeasurement of net defined benefit obligations recognised in other comprehensive income (OCI)	22 090	– 74 441
Contributions by the employer	15 409	18 001
Effect of business combinations and disposals	–	– 2 075
Total net defined benefit assets as at 31.12.	**80 239**	**5 752**

– Due to higher interest rates in 2022, the discount rate as at 31 December 2022 increased significantly compared with the previous year, from 0.3% to 2.2%. However, in addition to a reduction in obligations, the economic benefit pursuant to IFRIC 14 was also lower. As a result, a large portion of the existing surplus on the IAS 19 balance sheet as at 31 December 2022 could no longer be recognised due to the asset ceiling and thus a significantly lower asset was reported compared with the end of 2021. The value change was recorded in comprehensive income.

Asset structure of the plan assets (asset categories)

in CHF 1 000	31.12.2021	31.12.2022
Cash and cash equivalents with quoted market price	12 847	15 846
Equity instruments with quoted market price	263 488	235 261
Debt instruments (e.g. bonds) with quoted market price	66 003	61 746
Real estate with quoted market price	222 560	210 846
Others with quoted market price	94 629	94 248
Total plan assets at fair value	**659 527**	**617 947**

Sensitivity analysis

in CHF 1 000	31.12.2021	31.12.2022
Value of defined benefit obligations as at 31.12.	**541 013**	**461 683**
Defined benefit obligations as at 31.12. with discount rate –0.25%	560 302	475 361
Defined benefit obligations as at 31.12. with discount rate +0.25%	522 990	457 691
Defined benefit obligations as at 31.12. with life expectancy +1 year	561 493	475 185
Defined benefit obligations as at 31.12. with life expectancy –1 year	520 283	447 801
Service cost (employer) of next year with discount rate +0.25%	15 021	13 408

in years	31.12.2021	31.12.2022
Weighted average duration of defined benefit obligations	13.8	11.8
Weighted average duration of defined benefit obligations for active members	15.8	12.9
Weighted average duration of defined benefit obligations for pensioners	11.5	10.3

9.8 Future obligations

Swiss Prime Site entered into agreements with various general contractors for the construction of new and modified buildings within the scope of new construction activities and for the restructuring and renovation of existing properties. The due dates for the respective residual payments for these general contractor agreements are as follows:

in CHF 1 000	31.12.2021	31.12.2022
2022	231 332	n.a.
2023	155 835	235 575
2024	32 123	87 914
2025	–	9 933
2027	3 000	3 000
Total future obligations based on total contractor agreements	**422 290**	**336 422**

9.9 Transactions with related parties

Related parties are deemed to be the Board of Directors, Executive Board, the Group's pension funds, associates and their subsidiaries, and the investment vehicles of Swiss Prime Site Solutions AG.

Disclosure of the following fixed compensation to members of the Board of Directors and the fixed and variable compensation to the Executive Board was based on the accrual principle (i.e. recognised in the relevant period, regardless of cash flow).

Compensation to the Board of Directors and Executive Board

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Fixed compensation in cash, gross	4 163	4 146
Variable compensation in cash, gross	1 601	1 648
Share-based compensation	1 726	1 754
Other compensation components	90	79
Pension fund contributions	641	554
Other social security contributions	370	422
Total compensation to the Board of Directors and Executive Board	**8 591**	**8 603**
Expense allowance	156	144

- The Board of Directors receives 50% of its compensation in the form of Swiss Prime Site AG shares. The shares are blocked for a period of three years [three years]. In the reporting year, we transferred 8 914 shares [7 917 shares] at a market value of CHF 0.772 million [CHF 0.715 million] to the members of the Board of Directors.
- The Executive Board receives 37.5% of its variable compensation as performance share units (PSUs) as part of a long-term incentive plan (LTI). At the grant date, the individual LTI amount is converted to PSUs based on the volume-weighted average share price of the last 60 trading days prior to the grant date. The PSUs are subject to a three-year vesting period, condition on fulfilment of the performance indicator and a continued employment relationship during the vesting period. Earnings per share (EPS) excluding revaluations and deferred taxes constitute the performance indicator. The EPS target for the three-year vesting period is predetermined based on Swiss Prime Site's medium-term financial planning. At the vesting date, the number of allocated PSUs is multiplied by the payout factor in order to define the number of Swiss Prime Site shares that are finally paid out. The payout factor depends on the achievement of the EPS target and ranges between 0% and 100%.
- In the reporting year, we allocated 12 353 [14 552] performance share units to the Executive Board. Recognition in the consolidated financial statements is spread over the three-year vesting period at the current price of CHF 91.25 [CHF 87.15] (stock exchange price on the grant date). The resulting expense booked in the consolidated income statement was CHF 1.117 million [CHF 1.078 million].

Other related parties

in CHF 1 000	Type	01.01.–31.12.2021 or 31.12.2021	01.01.–31.12.2022 or 31.12.2022
Akara Property Development 1 KmGK	Accounts receivable (+)/accounts payable (–)	–	27
	Income from asset management	–	105
Akara Diversity PK	Accounts receivable (+)/accounts payable (–)	–	3 791
	Income from asset management	–	22 092
	Income from real estate developments (net)	–	188
Various pension funds and the SPS and Jelmoli welfare foundation	Accounts receivable (+)/accounts payable (–)	–424	–1 481
Swiss Prime Investment Foundation	Accounts receivable (+)/accounts payable (–)	868	426
	Income from asset management	14 797	17 703
	Income from other real estate services	4 331	4 993
Swiss Prime Site Solutions Investment Fund Commercial	Accounts receivable (+)/accounts payable (–)	1 363	101
	Income from asset management	1 269	6 746
	Income from other real estate services	–	895

- In the 2022 financial year, seven existing properties were sold to Swiss Prime Site Solutions Investment Fund Commercial. The transaction with a total value of around CHF 80 million was completed under market conditions based on appraisals of independent valuation experts and was approved by FINMA.

9.10 Scope of consolidation

Consolidation methods

In the consolidated financial statements, we consolidate the audited separate financial statements of Swiss Prime Site AG and its directly or indirectly controlled group companies. We have control over companies if we are exposed to variable returns from our involvement with the companies and we have the power to influence the companies. We consolidate these group companies using the full consolidation method. We have eliminated all significant transactions and assets between the individual group companies and any intercompany profits accordingly.

We account for companies that we do not control, but over which we exercise a significant influence, as associates using the equity method.

We measure companies in which we hold less than 20% of the shares at fair value through the income statement and recognise the asset position in securities or non-current financial investments.

- To strengthen the Real Estate Asset Management business area (Services segment), we acquired a 100% stake in the Akara Group on 10 January 2022.
- The Akara Group includes Akara Funds AG (a FINMA-regulated fund provider specialising in residential and commercial properties), Akara Real Estate Management AG (real estate services in the areas of development, execution, management and marketing), Akara Property Development AG (management of a limited partnership for collective investments) and Akara Holding AG.
- The real estate assets under management, totalling around CHF 2.3 billion on the date of acquisition, comprise «Akara Diversity PK» (a real estate fund for tax-exempt pension funds), the private equity product «Akara Property Development 1 KmGK» for qualified investors and a development pipeline of more than CHF 240 million (which also includes Akara Tower in Baden).
- With the purchase of the Akara Group, we also acquired the limited partners' shares in Akara Property Development 1 KmGK for CHF 5 million. The shares are accounted for as non-current financial investments.
- In the financial year 2022, the Akara Group contributed operating income of CHF 32.002 million, EBIT of CHF 11.056 million and profit of CHF 9.748 million towards the Group result.
- Transaction costs amounted to CHF 0.365 million and were recognised in the consolidated income statement in consultancy expenditure under other operating expenses (reported in cash flow from operating activities).
- The acquired companies Akara Holding AG, Akara Funds AG and Akara Real Estate Management AG were merged into Swiss Prime Site Solutions AG on 1 July 2022. This transaction was entered in the commercial register on 9 August 2022.

The fair values of the identifiable assets and liabilities of the Akara Group as at the acquisition date of 10 January 2022 were:

in CHF 1 000	10.01.2022
Cash	944
Receivables and short-term loans (no non-collectable receivables)	17 142
Accrued income and prepaid expenses	9 074
Tangible assets	1 159
Right-of-use assets	1 727
Fund contract	18 624
Total assets	**48 670**
Accrued expenses and deferred income	9 660
Net defined benefit liabilities	2 074
Other liabilities	4 024
Lease liabilities	1 726
Total liabilities	**17 484**
Net assets sold	**31 186**
Purchase price in shares (724 691 shares of Swiss Prime Site AG)	64 359
Purchase price in cash	119 676
Goodwill	**152 849**

– Goodwill comprises assets that cannot be separately identified or reliably determined, stemming primarily from future estimated earnings. Goodwill is not tax deductible. The acquisition of the Akara Group will enable us to significantly increase our earnings and our assets under management, in addition to strengthening and expanding our strategic market position in the area of asset management (Services segment).

Fully consolidated investments in group companies (direct or indirect)

	Field of activity	31.12.2021 Capital in CHF 1 000	Shareholding in %	31.12.2022 Capital in CHF 1 000	Shareholding in %
Akara Funds AG, Zug[2]	Asset management	n.a.	n.a.	n.a.	n.a.
Akara Holding AG, Zug[2]	Asset management	n.a.	n.a.	n.a.	n.a.
Akara Property Development AG, Zug[1]	Asset management	n.a.	n.a.	100	100.0
Akara Real Estate Management AG, Zug[2]	Asset management	n.a.	n.a.	n.a.	n.a.
Jelmoli AG, Zurich	Retail	6 600	100.0	6 600	100.0
Swiss Prime Site Dreispitz AG, Zurich[3]	Real estate	5 295	100.0	n.a.	n.a.
streamnow ag, Zurich	Real estate services	100	100.0	100	100.0
Swiss Prime Site Finance AG, Zug	Financial services	100 000	100.0	100 000	100.0
Swiss Prime Site Immobilien AG, Zurich	Real estate	50 000	100.0	50 000	100.0
Swiss Prime Site Management AG, Zug	Services	100	100.0	100	100.0
Swiss Prime Site Solutions AG, Zug	Asset management	1 500	100.0	1 500	100.0
Wincasa AG, Winterthur	Real estate services	1 500	100.0	1 500	100.0
Zimmermann Vins SA, Carouge	Real estate	350	100.0	350	100.0

[1] Acquisition as at 10.01.2022
[2] Acquisition as at 10.01.2022, merger in Swiss Prime Site Solutions AG as at 01.07.2022
[3] Merger in Swiss Prime Site Immobilien AG as at 01.07.2022

Investments in associates valued according to the equity method

	Field of activity	31.12.2021 Capital in CHF 1 000	Shareholding in %	31.12.2022 Capital in CHF 1 000	Shareholding in %
INOVIL SA, Lausanne	Parking	5 160	27.1	5 160	27.1
Parkgest Holding SA, Geneva	Parking	4 750	38.8	4 750	38.8
Flexoffice Schweiz AG, Zurich	Office services	111	10.0	124	27.2

In the current financial year, we acquired 227 207 registered shares of Flexoffice (Schweiz) AG in two tranches. On 7 March 2022, the purchase of 65 685 registered shares took place and on 8 August 2022 the purchase of 161 522 registered shares. Together with the 111 111 registered shares that we had already acquired in the past, at year-end we held 338 318 registered shares or 27.2% [10.0%] of the share capital. We therefore now value the shareholding interest as an associate using the equity method. In the 2022 semi-annual financial statements, the shares were still reported under non-current financial investments.

9.11 Classification and fair value financial instruments

in CHF 1 000	Fair value level 1	Fair value level 2	Fair value level 3	Total levels	31.12.2022 Book value
Financial assets at amortised cost					
Cash					21 201
Receivables					45 297
Accrued income and prepaid expenses without capital tax assets					39 816
Non-current financial assets			1 324	1 324	1 352
Financial assets at fair value					
Securities	1 130			1 130	1 130
Non-current financial assets			8 149	8 149	8 149
Financial liabilities at amortised cost					
Payables					153 786
Accrued expenses without capital tax liabilities					136 536
Mortgage-backed loans		671 885		671 885	745 520
Unsecured loans		1 819 033		1 819 033	1 872 000
Convertible bonds	533 350			533 350	542 678
Bonds	1 893 165			1 893 165	2 059 187

in CHF 1 000	Fair value level 1	Fair value level 2	Fair value level 3	Total levels	31.12.2021 Book value
Financial assets at amortised cost					
Cash					114 656
Receivables					45 617
Accrued income and prepaid expenses without capital tax assets					27 110
Non-current financial assets			2 616	2 616	2 647
Financial assets at fair value					
Securities	1 351			1 351	1 351
Non-current financial assets			1 638	1 638	1 638
Financial liabilities at amortised cost					
Payables					155 234
Accrued expenses without capital tax liabilities					150 801
Mortgage-backed loans		831 690		831 690	845 558
Unsecured loans		1 689 738		1 689 738	1 702 000
Convertible bonds	550 682			550 682	541 165
Bonds	2 091 000			2 091 000	2 059 319

9.12 Major shareholders

Major shareholders (shareholding interest >3%)	31.12.2021 Shareholding interest in %	31.12.2022 Shareholding interest in %
BlackRock Inc., New York	<10.0	<10.0
Credit Suisse Funds AG, Zurich	7.7	8.0
UBS Fund Management (Switzerland) AG, Basel	3.8	4.5
State Street Corporation, Boston	>3.0	n.a.

9.13 Events after the balance sheet date

The consolidated financial statements were approved for publication by the Board of Directors on 7 February 2023.

In February 2023, the Board of Directors and the Executive Board of Swiss Prime Site decided to convert the Jelmoli building and sustainably develop it further. In this context, it is planned to adapt the retail floorspace to the current market demand and to add new types of use to the building. Accordingly the Jelmoli department store will no longer be operated by Swiss Prime Site from the end of 2024. The transformation project has a one-time negative impact on EBIT of CHF 34.3 million in the reporting year 2022. This amount includes impairments on tangible assets, software and inventories.

No further events occurred between 31 December 2022 and the date of approval of these consolidated financial statements that would result in adjustment of the carrying amounts of the Group's assets and liabilities as at 31 December 2022, or that would need to be disclosed at this point.

Definition of alternative performance indicators

Cash yield
Distribution per share as a percentage of the share price at the end of the period.

Operating result before depreciation and amortisation (EBITDA)
Operating result before financial result and taxes (EBIT) plus depreciation and impairments on tangible assets as well as amortisation and impairments on intangible assets.

Operating Result (EBIT) excluding revaluations
Operating result before financial result and taxes (EBIT) less revaluations of investment properties.

Equity ratio
Total shareholders' equity as a percentage of total assets.

Return on equity (ROE)
Profit (attributable to shareholders of Swiss Prime Site AG) divided by average equity (attributable to shareholders of Swiss Prime Site AG).

Return on equity (ROE) excluding revaluations and deferred taxes
Profit (attributable to shareholders of Swiss Prime Site AG) less revaluations and deferred taxes, divided by average equity (attributable to shareholders of Swiss Prime Site AG).

EPRA like-for-like rental change
Shows the development of net rental income from the stock of investment properties that were under our operational control within two balance sheet dates. Changes from purchases, sales and developments are not taken into account.

EPRA NDV (net disposal value)
Determines equity per share based on a sales scenario. Deferred taxes are therefore recognised as they are under IFRS.

EPRA NRV (net reinstatement value)
Determines equity per share based on the assumption that no properties are ever sold. The NAV is therefore adjusted for deferred taxes and the necessary incidental purchase expenses are added back. Captures the value of the assets that would be needed to rebuild Swiss Prime Site.

EPRA NTA (net tangible asset)
Determines equity per share on the assumption that properties are bought and sold in the same volumes as before. Some of the deferred taxes will therefore be crystallised through sales. However, based on our Company performance to date and our planning, the share of sales is low. Besides expected sales, intangible assets are fully excluded from the NTA.

Loan-to-value (LTV) ratio of the property portfolio
Current and non-current financial liabilities (without lease liabilities) of the Real Estate segment as a percentage of the property portfolio (without right-of-use) at fair value.

Funds from operations (FFO)
This key figure is a measure of cash flow from operations (FFO I). FFO II additionally includes cash effective income from property sales. See note 3.2 to the consolidated financial statements for the calculation.

Profit excluding revaluations and deferred taxes
Profit less revaluations of investment properties and deferred taxes.

Earnings per share (EPS) excluding revaluations and deferred taxes
Profit (attributable to shareholders of Swiss Prime Site AG) less revaluations and deferred taxes, divided by the weighted average number of outstanding shares.

Return on invested capital (ROIC)
Profit (attributable to shareholders of Swiss Prime Site AG) plus financial expenses divided by the average total assets.

Return on invested capital (ROIC) excluding revaluations and deferred taxes
Profit (attributable to shareholders of Swiss Prime Site AG) plus financial expenses less revaluations and deferred taxes, divided by the average total assets.

Vacancy rate
Rental income from vacancies as a percentage of target rental income from the rental of investment properties.

NAV (net asset value) after deferred taxes per share
Shareholders' equity (attributable to shareholders of Swiss Prime Site AG) divided by the number of shares issued on the balance sheet date (excluding treasury shares).

NAV (net asset value) before deferred taxes per share
Shareholders' equity (attributable to shareholders of Swiss Prime Site AG) plus deferred tax liabilities, divided by the number of issued shares at the balance sheet date (excluding treasury shares).

Net yield on property
Real estate income as a percentage of the property portfolio at fair value as at the balance sheet date.

Employees and full-time equivalents (FTE)
Number of persons contractually employed by a group company as at the balance sheet date. Multiplied by the percentage level of employment shows the number of full-time equivalents (FTE).

Interest-bearing financial liabilities
Current and non-current financial liabilities less derivative financial instruments (other non-current financial liabilities).

Report of the valuation expert

The properties of Swiss Prime Site Immobilien AG are valued semi-annually by Wüest Partner AG at their current values. The present valuation is valid as of 31 December 2022.

Valuation standards and principles
The market values determined as of 31 December 2022 are in line with the **«Fair Value»,** as defined in the International Financial Reporting Standards (IFRS) in accordance with **IAS 40** (Investment Property) and **IFRS 13** (Fair Value Measurement). The fair value corresponds to the price that independent market participants would receive under normal market conditions on the valuation date when selling an asset (exit price).

An **exit price** is the sales price postulated in the purchase contract, to which the parties have mutually agreed. Transaction costs, usually consisting of brokerage commissions, transaction taxes as well as land registry and notary costs, are not taken into account when determining the fair value. Thus, in accordance with paragraph 25 IFRS 13, the fair value is not adjusted for the transaction costs incurred by the acquirer in a sale («**Gross Fair Value**»). This is in line with Swiss valuation practice.

The valuation at fair value assumes that the hypothetical transaction for the asset to be valued takes place in the market with the largest volume and the largest business activity (**principal market**) and that transactions of sufficient frequency and volume occur so that sufficient price information is available for the market (active market). If such a market cannot be identified, the principal market for the asset is assumed to be the one that maximises the selling price on disposal of the asset.

The fair value is determined on the basis of the best possible use of a property («**Highest and best use**»). The best use is the use of a property that maximises its value. This assumes a use that is technically/physically possible, legally permitted and financially feasible. Since maximisation of use is assumed when determining the fair value, the best possible use may deviate from the actual or planned use. Future capital expenditures to improve or increase the value of a property are taken into account accordingly in the fair value measurement. The application of the highest and best use approach is based on the principle of the **materiality** of the potential difference in value of the best possible use compared with the continuing use.

Wüest Partner further confirms that the valuations have been carried out in accordance with national and international standards and guidelines, in particular in accordance with the **International Valuation Standards** (IVS) and the **RICS** guidelines (Red Book).

Determination of fair value

The fair value is determined depending on the quality and reliability of the valuation parameters, with decreasing quality or reliability: Level 1 market price, Level 2 modified market price and Level 3 model-based valuation. In the fair value measurement of a property, different parameters can be applied simultaneously on different hierarchies. The entire valuation is classified according to the lowest level of the fair value hierarchy in which the significant valuation parameters are located.

The value of the properties of Swiss Prime Site Immobilien AG is determined using a model-based valuation in accordance with Level 3 on the basis of input parameters that are not directly observable on the market, whereby adjusted Level 2 input parameters are also applied here (for example, market rents, operating/maintenance costs, discount/capitalisation rates, proceeds from the sale of residential property). Unobservable inputs are only used if relevant observable inputs are not available. Valuation techniques are applied that are appropriate in the circumstances and for which sufficient data are available to determine fair value, maximising the use of relevant observable inputs and minimising unobservable inputs.

The investment properties are valued according to the discounted cash flow method (DCF), which corresponds to international standards and is also used for company valuations. It is recognised as "best practice" - with fundamental freedom of method in real estate valuation. With the DCF method, the current fair value of a property is determined by the sum of all expected future net earnings discounted to the present time (before interest payments, taxes, depreciation and amortisation = EBITDA), while taking investments and maintenance costs into account. The net earnings (EBITDA) are discounted individually per property, depending on the respective opportunities and risks, in line with the market and risk-adjusted. All expected cash flows are disclosed in a detailed report for each property, thus creating the greatest possible transparency. In the report, reference is made to the significant changes since the last valuation.

Properties under construction and development sites with future use as investment properties are valued as project market values, taking into account current market conditions, outstanding investment costs and a risk premium commensurate with the progress of the project (IAS 40/IFRS 13).

Properties under construction intended for later sale (for example condominium flats) are valued at construction cost (IAS 40.9), i.e. ongoing work and construction costs are activated and the subsequent valuation is at the lower value in accordance with IAS 2.

Transparency, uniformity, timeliness and completeness are ensured in the valuation. The relevant legal provisions and specific national and international standards are complied with (SIX regulations for listed real estate companies, IFRS and others).

In order to guarantee the independence of the valuations and thus ensure the highest possible degree of objectivity, the business activities of Wüest Partner AG exclude trading and the associated commission business as well as the management of properties. The valuation is always based on the latest information about the properties and the property market. The data and documents relating to the properties are provided by the owner. It is assumed that they are correct. All property market data is taken from the continuously updated databases of Wüest Partner AG (Immo-Monitoring 2023).

Development of the real estate portfolio
In the reporting period from 01.01.2022 to 31.12.2022, three properties were acquired and thirteen properties were sold. Furthermore, condominium units of building A of the property "Plan-les-Ouates, Route de la Galaise 11A et 11B – Espace Tourbillon" were sold.

In addition, the property "Richterswil, Gartenstrasse 7/17 –Etzelblick" is listed in the portfolio for the first time after completion.

Furthermore, three properties under construction are now classified as properties held for sale: In addition to the two properties "Paradiso, Riva Paradiso - Du Lac" and "Plan-les-Ouates, Route de la Galaise 11A et 11B - Espace Tourbillon building A", the property "Olten, Solothurnerstrasse 201a - USEGO-Park" is now also shown with at-cost values as of the year end 2022. The property "Olten, Solothurnerstrasse 231 - USEGO-Areal" was split into two properties for the first time as of the year end, with the latter continuing to be managed as a property in the portfolio.

The real estate portfolio of Swiss Prime Site Immobilien AG thus contains 176 properties as of the 31.12.2022.

In detail, the following properties with values as of 31 December 2021 were sold during the reporting period:

– Amriswil, Weinfelderstrasse 74:	CHF 7'053'000
– Burgdorf, Emmentalstrasse 14:	CHF 5'085'000
– Cham, Dorfplatz 2:	CHF 4'325'000
– Dietikon, Kirchstrasse 20:	CHF 14'570'000
– Neuchâtel, Avenue J.-J. Rousseau 7:	CHF 6'226'000
– Neuchâtel, Rue de l'Ecluse 19 – Parking	CHF 794'000
– Neuchâtel, Rue du Temple-Neuf 11:	CHF 5'467'000
– Neuchâtel, Rue du Temple-Neuf 14:	CHF 43'910'000
– Oberbüren, Buchental 4:	CHF 25'320'000
– Plan-les-Ouates, Route de la Galaise 11A – Espace Tourbillon, Building B:	CHF 105'470'000
– Schwyz, Oberer Steisteg 18, 20:	CHF 8'908'000
– St. Gallen, Spisergasse 12:	CHF 4'874'000
– St. Gallen, Spisergasse 12 Turmgasse:	CHF 3'261'000
– Plan-les-Ouates, Route de la Galaise 11A et 11B – Espace Tourbillon, Condominium units Building A:	CHF 13'597'000

Sale of 13 existing properties & partial sale of project 1 (265 shares of 1000 sold)

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The total market value of the sold properties as of 31 December 2021 was CHF 248.86 million.

In the reporting period, the following purchases of building land and two projects were made, valued as at 31 December 2022:

— Zurich, Oleanderstrasse 1:	CHF 13'300'000
— Basel Steinenvorstadt 5:	CHF 38'980'000
— Bern, Stauffacherstrasse 131, «BERN 131»:	CHF 2'762'000

The total market value of the purchased properties as of 31 December 2022 is CHF 55.042 million.

Hence, the total portfolio consists of 156 existing investment properties, 10 plots of building land and 10 development sites.

The following 10 development properties are currently in planning phase / under construction:

- At Hochbergerstrasse 60 F-I - "Stücki Park II" in Basel, the existing office and laboratory space of the property Hochbergerstrasse 60 - "Stücki Park A-E" is being expanded by around 27,000 m^2 of space until 2024.
- At Steinenvorstadt 5 in Basel, the building, which has become vacant at the end of 2022, will be partially converted into managed residential and retail space after an interim use phase from 2024 until approximately mid-2025.
- At the Stauffacherstrasse 131 in Bern, the "BERN 131" plus-energy building is being built in the centre of the Wankdorf transport hub. It will have a usable floor space of 13,900 m^2 and is expected to be ready for occupation by the beginning of 2025.
- At Esplanade de Pont-Rouge 5, 7, 9 - "Alto Pont-Rouge" in Lancy, a commercial building will be realised by 2023 within a larger development area containing a total of four construction sites.
- On the property "USEGO-Park - Tertianum Olten" in Olten, a project with residential use for senior citizens (nursing home and flats for senior citizens) is planned. This property should be completed beginning of 2024.
- At Riva Paradiso - "Du Lac" in Paradiso, a new replacement building is being constructed on the lakeshore, with construction having started in 2021. This future retirement home is expected to be completed beginning of 2024.
- The Chemin des Aulx - "Espace Tourbillon" development project in Plans-les-Ouates comprises five buildings with office, commercial and retail space, four of which have been completely sold. Moreover, the Building A is continuously being sold in co-ownership.
- Zürcherstrasse 39 - "JED" in Schlieren is the former NZZ printing centre with building land reserves, which is being repurposed and is expected to be completed by the beginning of 2023 (JED conversion).
- On the adjacent plot, a new office / hall building (JED new building) without conventional heating technology is being constructed since the beginning of 2021 and expected to be completed in 2024.

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- A new site for Google Switzerland is being developed at Müllerstrasse 16/20 in Zurich. Google will move into the building as sole tenant from 2023, after extensive interior and exterior renovation and works to bring up the property to the highest possible standard in terms of sustainability and technology. The conversion of the existing building began when the previous tenant moved out at the beginning of 2021.

Valuation results as of 30 June 2022

As of 31 December 2022, the current value of the total property portfolio of Swiss Prime Site Immobilien AG (176 properties in total) is valued at CHF 13,087.715 million.

The current value of the portfolio has thus increased by CHF 294.215 million or 2.30% compared to 31 December 2021. Details on the performance can be found in the table below.

SPS Portfolio as of 31.12.2021		CHF 12'793.500	m.
+	Change in value of investment properties	CHF 242.225	m.
+	Change in value of projects after completion	CHF 7.550	m.
+	Purchase of development plots	CHF 13.300	m.
+	Purchase of projects	CHF 41.742	m.
–	Sales of investment properties	-CHF 235.263	m.
–	Partial sales of properties intended for sale	-CHF 13.597	m.
+	Change in value of development plots	CHF 6.858	m.
+	Change in value of projects	CHF 197.310	m.
+	Change in value of properties held for sale	CHF 34.090	m.
SPS Portfolio as of 31.12.2022		CHF 13,087.715	m.
	Delta	CHF 294.215	m.

The change in value of the 154 investment properties compared to 1 January 2022 was +2.12% (excluding initial valuations after completion (1), split of investment properties (2), acquisitions (3), development plots (9), properties in planning or under construction (7), - a total of 22 properties), 102 properties were valued higher, 4 properties were valued the same and 50 properties were valued lower than on 1 January 2022.

The positive development in the value of the Swiss Prime Site Immobilien AG portfolio is attributable to the properties in the portfolio, the acquisitions, the building land and the properties in planning or under construction. Only the sales had a negative effect on value. In general, despite the slightly higher interest rate environment, the continuing strong seller's market supported the low yield expectations of investors and therefore also the appreciation. Furthermore, completed investments, new contracts concluded at a higher level, temporarily and structurally slightly lower vacancy rates and overall the high quality of the properties in sought-after locations contributed to the positive value development.

The declines in value are mainly related to changes in rental potential, new contracts signed at a lower level, adjusted sales forecasts and higher estimated costs for future maintenance.

Market Report

Economic development

The Swiss economy continues to develop robustly and grew by 0.5 percent in real terms in the 3rd quarter of 2022 compared to the same quarter of the previous year. The domestic economy in particular supported growth through higher private consumer spending. Expectations for further economic development have recently dimmed. The SECO still expects economic growth of 2.0 percent in 2022, but lowered its forecast for 2023 to 1.0 percent.

Economic growth continues in Q3 2022

An economic slowdown is expected since the global economy is being held back by high global inflation and tighter monetary policy. Lower international demand is likely to have an increasingly negative impact on the Swiss export economy. In addition, high energy prices are weighing on economic activity and the energy situation in Europe remains associated with high risks. The war in Ukraine and the associated uncertainties may also have a negative impact on the economic trend.

The economic outlook is below average due to the weak global economy and high risks

Weaker economic growth and global uncertainties are likely to gradually dampen the dynamism of the flourishing labour market somewhat. The SECO continues to record strong employment growth and an unemployment rate of 2.0 percent in November 2022. From this historically low level, unemployment is expected to rise slightly in 2023, reaching 2.3 percent on average.

Labour market remains robust, but with slower dynamism in 2023

Inflation has been declining slightly since the summer of 2022, but at 3.0 percent in November it is still above the Swiss National Bank's target value. For this reason, the SNB tightened monetary policy once again and raised the policy rate by 0.5 percentage points to 1.0 percent on 16 December. The price increase in Switzerland is significantly being driven by rising global energy and food prices. Inflation is also likely to remain elevated in the medium term, as inflationary pressures from abroad have intensified and the price increase has spread to other categories of goods. The SNB expects inflation to reach 2.9 percent for the year 2022 as a whole and 2.4 percent in the following year.

Inflation likely to remain elevated for the time being despite renewed monetary tightening in December 2022

The increased inflation and the rising policy rates are also reflected in the yields on 10-year Swiss Confederation bonds and in mortgage rates.

Rising bond yields and mortgage rates

Construction market

The construction market remains relatively stable despite the turbulent environment. In 2022, building construction investments are estimated to have grown nominally by 7.0 percent in the new construction segment and 8.0 percent in the renovation segment. However, if the construction price increase of approximately 8 percent is deducted, it becomes apparent that real investment in building construction is stagnating. In 2023, investment in new construction is likely to weaken (+ 2.7 percent) and develop negatively in real terms, while investment in renovation will grow (+ 8.3 percent). The shortage of building land, the sharp rise in construction prices, supply bottlenecks and capacity problems as well as the uncertain economic environment are weighing on investment. Nevertheless, the workload in the construction market is high and the medium-term outlook remains intact thanks to the strong household growth.

Stable construction market in a difficult environment

wüestpartner

Office space market

The demand for office space has been developing extremely dynamically for more than a year. The driving force behind this is the strong growth in employment. Employment in Switzerland, measured in terms of the number of full-time equivalents, rose by 2.4 percent in Q3 2022 compared to the same quarter of the previous year (only 3rd sector: + 2.5 percent). There are still many job vacancies, so the labour market should continue to develop positively in the near future. However, the strong dynamics are weakening slightly, as the catch-up effects following the lifting of the pandemic measures are gradually fading and the economic growth outlook is depressing the general sentiment.

Boom in demand for office space thanks to strong employment growth

The continuing strong user demand coupled with stagnating new construction led to a further decline in the supply of office space in Q3 2022. On average in Switzerland, the ratio of available space (supply ratio) fell to 6.1 percent. However, there are large regional differences in terms of supply. In the major centres of Basel-Stadt, Zurich, Lausanne and Lucerne there is very little office space available. The oversupply has also reduced in Geneva and Zug. But in the less sought-after small and medium-sized centres, supply remains plentiful. These regional disparities are likely to persist in the coming years.

Declining supply of available office space with large regional differences

As a result of the limited supply and high demand, the rents of newly concluded contracts have risen (+ 3.7 percent). Inflation also leads to higher rents, because a large part of the office leases is linked to the national Consumer Price Index. As numerous spaces in good locations could be let at higher rents, the prices for the remaining office spaces on the market have fallen. Wüest Partner expects the office market to show a robust development in 2023 (+ 0.5 per cent) as long as the labour market supports demand.

Rents rising due to strong demand and inflation, stable development in 2023 as well

Retail space market

The outlook for the retail space market remains gloomy, although population growth is supporting sales. Accordingly, adjusted for inflation, there was a downward trend in real retail sales over the last 12 months up to October 2022 (- 2.9 percent, excluding petrol stations), even though real sales rose in certain months.

Despite some bright spots in the last year, real retail sales are declining overall

The reasons for the declining turnover in the retail trade are not only the continuing structural challenges (keyword: e-commerce) but also the economic uncertainties. High inflation, the strong franc and the economic and geopolitical outlook are putting pressure on consumers' propensity to buy. According to the SECO index, consumer sentiment reached its lowest level since the beginning of the survey in 1972. The environment for the retail trade is likely to remain difficult in the coming months.

Inflation, the strong franc, the uncertain economic and geopolitical situation put pressure on consumer spending

For the retail space market, this means declining demand. It can be assumed that the supply ratios will increase, to which the expected new construction activity will also contribute. Only in the major cities are vacancy rates expected to fall. Overall, rents for retail space remain under pressure, with the exception of the sought-after prime locations.

Increasing supply of sales space, rents are likely to generally fall further

Market for retirement living

The market for retirement flats offers great growth potential in the coming years. The reason for this is the demographic development. By 2030, the number of people over 65 will increase by a quarter, which corresponds to around 420,000 people overall. This should significantly increase the demand for properties for senior citizens.

The demand for retirement flats will increase strongly

On the one hand, there is a demand for customisable forms of housing with modular and flexible services as well as simple forms of care (e.g. concierge service or outpatient care) that enable self-determined living in old age. On the other hand, more care places are also needed. Ideal are concepts that cover all needs and can thus offer a seamless transition from self-determined to assisted living. Another need is affordable housing in old age.

The whole spectrum is needed, from simple forms of care to nursing places

The market rents for retirement flats develop in parallel with the asking prices for conventional flats, but with a certain premium. Consequently, rents in the retirement housing segment are expected to rise in 2023.

Rents for retirement living are likely to rise in 2023

Hospitality

Already in the winter season 2022/23, overnight stays in Switzerland are expected to exceed the pre-Corona level. In its tourism forecast, the KOF expects a growth in overnight stays by 16 percent this winter. Domestic tourists in particular are responsible for the buoyant recovery.

Good prospects for the winter season thanks to domestic demand

The summer season was successful as well, with the number of overnight stays in the first 10 months of 2022 increasing by 29.0 percent compared to the same period last year, according to the Federal Statistical Office (FSO). Responsible for the strong increase were in particular foreign guests, as their number of overnight stays more than doubled in the period. Nevertheless, domestic guests are likely to remain one of the most important markets in the longer term, while guests from distant countries such as India and China take longer to return in full. Regardless, the total number of overnight stays in 2022 up to the end of October was a mere 5.0 percent below the level of the record year 2019.

The buoyant recovery of overnight stays in 2022 continues

Average bed occupancy has returned to a normal level in recent months. There was movement in hotel room rates, particularly in the first half of 2022. Average room rates in Switzerland rose sharply, peaking at over CHF 220 per night in summer 2022. Since then, the dynamics have slowed slightly, with average prices settling at CHF 210 per night in November. This development was mainly carried by the price increases of hotels in large and small cities.

Median room rates have increased significantly since the beginning of 2022

The reason for the higher room rates is primarily to be found on the cost side of the hotel and spa businesses. Energy costs in particular have risen, but wage costs and prices for food and beverages have also increased. This means that the real estate values of hotels remain stable.

Despite higher prices, hotel property values remain stable as costs have increased likewise

Investor market for investment properties

The interest rate turnaround is leaving its mark on the real estate market, but with varying intensity in the direct and indirect investment market. The effects of the rise in policy rates and bond yields have been particularly noticeable in indirect real estate investments, which performed significantly negatively in 2022.

Increased interest rates are having an increasing impact on real estate investments, but to different degrees depending on the investment type

Indirect real estate investments follow the developments on the global capital markets more closely, which is why they have lost significant value since the beginning of 2022. The real estate stock corporations recorded a minus of 10.9 percent, the funds were even 18.1 percent lower at the end of November than at the beginning of the year (according to WUPIX-A and WUPIX-F). The reasons for the poorer performance of the funds are the increased attractiveness of bonds as an alternative investment to the funds, the previously particularly high premiums for the funds in 2021 and the earlier occurred correction in the real estate stock corporations.

In contrast, the market for direct real estate investments has remained relatively stable, although there has also been a trend reversal here. The transactions of Swiss investment properties observed in 2022 show a stagnation or a slight increase in net initial yields compared to the previous year's level. Prices and valuations thus remained stable for the most part. It should be added that initial property yields typically only fully adjust to a new interest rate environment with a time lag of usually 2 to 4 quarters.

The median net initial yields over all investment properties increased slightly

However, there are other reasons for the resilience of real estate prices. The attractiveness of the Swiss real estate market is unbroken because user demand for rental flats and office space continues to exceed supply. This excess demand is likely to continue in the future, which means that the willingness to pay remains high. Rental income is relatively secure, also because vacancy rates are constantly falling. Last but not least, real estate investments offer partial protection in times of increased inflation, at least in the long term.

Willingness to pay for real estate investments remains thanks to good fundamental data

Valuation assumptions as of 31 December 2022

In addition to the above comments on valuation standards and methods, the main general valuation assumptions used in the present valuations are listed below.

Investment properties including building land

The properties are generally valued on a going concern basis and on the basis of the best possible use of a property. The current rental situation and the current condition of the property form the starting point. After expiry of the existing rental contracts, the current market level is included in the income forecast.

On the cost side, the maintenance and repair costs necessary to achieve sustainable income as well as the ongoing management costs are taken into account.

In principle, an average and obvious management strategy is assumed. Specific scenarios of the owner are not taken into account or are only taken into account to the extent that they are agreed upon in the rental contract or to the extent that they also appear plausible and practicable for third parties. Possible optimisation measures in line with the market - such as improved letting in the future - are taken into account.

In the valuation or observation period of the DCF method, a more detailed cash flow forecast is prepared for the first ten years, while approximate annualised assumptions are made for the subsequent remaining term.

An annual inflation rate of 1.0% is implicitly assumed in the valuation. However, the cash flows as well as the discount rates are generally shown on a real basis in the valuation reports.

The specific indexation of the existing leases is taken into account. After expiry of the contracts, an average indexation rate of 80% is assumed, with the rents being adjusted to the market level every five years. Payments are generally assumed as advanced monthly after expiry of the leases.

On the side of operating costs (owner's charges), it is generally assumed that completely separate ancillary cost accounts are kept and thus ancillary and operating costs are outsourced as far as legally permissible. Maintenance costs (repair and maintenance costs) are determined using benchmarks and model calculations. Based on a rough estimate of the condition of the individual components, their remaining service life is inferred, the periodic renewal is modelled and the annual annuities are determined from this. The calculated values are checked for plausibility using benchmarks collected by Wüest Partner AG and comparable properties. In the first ten years, 100% of the maintenance costs are included in the calculation, taking into account any possible rent surcharges in the income forecast. From year eleven onwards, maintenance costs are taken into account at 50% to 70% (only value-preserving portions), without modelling possible rent premiums. Contaminated sites are not quantified in the individual valuations; they are to be considered separately by the client.

The discount rate applied is based on continuous observation of the real estate market and is derived from a model and checked for plausibility on the basis of a real interest rate, which is composed of the risk-free interest rate (long-term federal government bonds) plus general real estate risks plus property-specific surcharges and is determined on a risk-adjusted basis per property. The average real discount rate weighted by the market value of the investment properties (156 investment properties) is 2.69% in the current valuation. Assuming an inflation rate of 1.0%, this corresponds to a nominal discount rate of 3.72%. The lowest real discount rate selected for an individual property is now 1.65%, the highest 4.95%.

The valuations are based on the rent rolls of the administrations as of 1 January 2023 and on the area information provided by the clients/administrations.

Credit risks of the respective tenants are not explicitly taken into account in the valuation, as it is assumed that corresponding contractual hedges will be concluded.

Wüest Partner AG
Zurich, 21 December 2022

Andrea Bernhard Director	Gino Fiorentin Partner

Disclaimer
The valuations carried out by Wüest Partner AG represent an economic assessment based on the available information, the majority of which was provided by the client. Wüest Partner AG has not undertaken or commissioned any legal, construction-related, or other specific clarifications. Wüest Partner AG assumes that the information and documents received are correct; however, no guarantee can be given for this. Value and price may differ. Specific circumstances affecting the price cannot be taken into account in the valuation. The valuation made as at the valuation date is only valid at this specific point in time and may be influenced by later or not yet known events; in this case a new valuation would be necessary.

Since the accuracy of the results of a valuation cannot be objectively guaranteed, no liability can be derived from this on the part of Wüest Partner AG and/or the author.

Zurich, 21 December 2022

KPMG

Statutory Auditor's Report

To the General Meeting of Swiss Prime Site AG, Zug

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Swiss Prime Site AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 3 to 49, 90 to 97) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange and Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Valuation of investment properties

Completeness and accuracy of deferred tax liabilities

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG AG
Zurich, 7 February 2023

KPMG

Valuation of investment properties

Key Audit Matter

Investment properties form a substantial part of the balance sheet and showed an overall fair value of TCHF 12'587'234 as at 31 December 2022.

The Group's total investment properties are valued at fair value as at the balance sheet date.

The valuation is based on the external valuation expert's report. The fair value estimates performed every six months using the discounted cash flow model are significantly influenced by assumptions and estimates made by the Executive Board and the external valuation expert with regard to the expected future cash flows and the discount rate used for each property depending on its individual rewards and risks.

Our response

In the course of our audit, we assessed the external valuation expert's competence and independence. We met with the external valuation expert regarding the valuation of the investment properties, and discussed the valuation methodology and selected input factors applied in the valuation. We used our own real estate valuation specialists to support our audit procedures.

For a sample identified based on quantitative and qualitative factors, we performed, amongst others, the following audit procedures:

- evaluating the methodical accuracy of the model used to determine the fair value;
- challenging the most important input factors applied in the valuation (such as discount rate, market rents, vacancy rates, overhead / maintenance and renovation expenses) by comparing them with past figures, benchmarks, publicly available data and our own market assessments.
- additionally concerning properties under construction / development sites: assessment of key assumptions related to construction costs, utilisation, date of completion, expected revenues as well as future market outlook and evaluation of recoverability and allocation of investment costs capitalized.

We also considered the appropriateness of disclosures in the consolidated financial statements regarding the sensitivity of the investment properties' fair value to changes in discount rates.

For further information on the valuation of the investment properties refer to the following:

- Note 2 "Accounting and significant principles" to the consolidated financial statements
- Note 5 "Real estate" to the consolidated financial statements

2

Completeness and accuracy of deferred tax liabilities

Key Audit Matter

As at 31 December 2022, deferred tax liabilities amounted to TCHF 1'328'320.

Deferred taxes arise due to temporary differences between the values in the tax accounts and the consolidated balance sheet. The calculation of deferred taxes takes into account the expected point in time when, and the manner in which, the assets and liabilities are expected to be realized or settled. The applied tax rates correspond to those that are enacted or substantively enacted at the respective locations at the balance sheet date. Deferred taxes primarily result from valuation differences between the fair values of investment properties and their values for tax purposes.

In the calculation of the deferred tax liabilities, assumptions and estimates must be made with regards to the fiscally relevant investment costs and the fair values of the properties as well as the tax rates applicable at the time the tax differences are realized. If properties are held for long periods, the fiscally relevant investment costs may be determined using an alternative measure instead of the actual investment costs, depending on the respective cantonal rules (e.g. fair value 20 years ago for Zurich properties). Moreover, in cantons with a separate property gains tax (one-tier system), the residual holding period of the properties has to be estimated, whereby SPS assumes a minimum ownership period of 20 years for properties not held for sale.

Our response

In the course of our audit, we critically assessed the calculation of deferred taxes on investment, development and commercial properties with the support of our tax specialists.

Based on the overall portfolio, we performed, amongst others, the following audit procedures:

- evaluating the calculation method used to determine deferred tax liabilities;
- critically assessing the assumed tax rates applicable to each canton at the time the tax differences are realized.

For a sample identified based on quantitative and qualitative factors, we performed, amongst others, the following audit procedures:

- reconciling the fair value with the valuation documentation and the fiscally relevant investment costs with the fixed asset accounting or the client's detailed records;
- testing the mathematical accuracy of the deferred tax calculation.

For further information on the calculation of deferred tax liabilities refer to the following:

— Note 2 “Accounting and significant principles” to the consolidated financial statements

— Note 7.3 “Income taxes” to the consolidated financial statements

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 7 February 2023

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

EPRA Reporting

EPRA performance key figures

The EPRA performance key figures of Swiss Prime Site were prepared in accordance with EPRA BPR (February 2022).

Summary table EPRA performance measures

		in	01.01.– 31.12.2021 or 31.12.2021	01.01.– 31.12.2022 or 31.12.2022
A.	EPRA earnings	CHF 1 000	234979	223535
	EPRA earnings per share (EPS)	CHF	3.09	2.91
B.	EPRA Net Reinstatement Value (NRV)	CHF 1 000	8660723	8956893
	EPRA NRV per share	CHF	106.52	109.18
	EPRA Net Tangible Assets (NTA)	CHF 1 000	8206006	8424808
	EPRA NTA per share	CHF	100.93	102.69
	EPRA Net Disposal Value (NDV)	CHF 1 000	6939687	7378078
	EPRA NDV per share	CHF	85.35	89.93
C.	EPRA NIY	%	3.2	3.1
	EPRA topped-up NIY	%	3.3	3.2
D.	EPRA vacancy rate	%	3.8	3.6
E.	EPRA cost ratio (including direct vacancy costs)	%	24.1	23.9
	EPRA cost ratio (excluding direct vacancy costs)	%	22.0	21.9
F.	EPRA LTV	%	39.7	39.4
G.	EPRA like-for-like change relative	%	1.3	1.9
H.	EPRA capital expenditure	CHF 1 000	298445	378724

A. EPRA earnings

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Earnings per consolidated income statement	**498 892**	**404 429**
Exclude:		
Revaluations of investment properties	–301 882	–169 739
Profit on disposal of real estate developments and trading properties	–18 587	–2 086
Profit on disposal of investment properties	–39 916	–50 877
Tax on profits on disposals	9 697	7 659
Negative goodwill/goodwill impairment	n.a.	n.a.
Changes in fair value of financial instruments	24 575	–
Transaction costs on acquisitions of group companies and associated companies	–	365
Deferred tax in respect of EPRA adjustments	62 200	33 784
Adjustments in respect of joint ventures	n.a.	n.a.
Adjustments in respect of non-controlling interests	n.a.	n.a.
EPRA earnings	**234 979**	**223 535**
Average number of outstanding shares	75 968 104	76 697 074
EPRA earnings per share in CHF	**3.09**	**2.91**
Adjustment profit on disposal of real estate developments and trading properties (core business)	18 587	2 086
Tax on profit on disposal of real estate developments and trading properties	–2 602	–292
Extraordinary impairment on PPE, software and inventory	–	41 148
Tax on extraordinary impairment	–	–2 748
Adjusted EPRA earnings	**250 964**	**263 729**
Adjusted EPRA earnings per share in CHF	**3.30**	**3.44**

B. EPRA net asset value (NAV) metrics

	EPRA NRV		EPRA NTA		EPRA NDV	
in CHF 1 000	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022
Equity attributable to shareholders	**6 409 682**	**6 569 297**	**6 409 682**	**6 569 297**	**6 409 682**	**6 569 297**
Include / Exclude:						
i) Hybrid instruments	541 165	542 678	541 165	542 678	541 165	542 678
Diluted NAV	**6 950 847**	**7 111 975**	**6 950 847**	**7 111 975**	**6 950 847**	**7 111 975**
Include:						
ii.a) Revaluation of investment properties[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ii.b) Revaluation of investment properties under construction[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ii.c) Revaluation of other non-current investments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
iii) Revaluation of tenant leases held as finance leases	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
iv) Revaluation of trading properties	–	–	–	–	–	–
Diluted NAV at Fair Value	**6 950 847**	**7 111 975**	**6 950 847**	**7 111 975**	**6 950 847**	**7 111 975**
Exclude:						
v) Deferred tax in relation to fair value gains of investment properties	1 279 768	1 328 135	1 264 108	1 320 011		
vi) Fair value of financial instruments	–	–	–	–		
vii) Goodwill as a result of deferred tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
viii.a) Goodwill as per IFRS balance sheet[2]			–	–	–	–
viii.b) Intangibles as per IFRS balance sheet			–32 243	–32 267		
Include:						
ix) Fair value of fixed interest rate debt					–11 160	266 103
x) Revaluation of intangibles to fair value[3]	300 739	387 682				
xi) Real estate transfer tax	129 369	129 101	23 294	25 089		
EPRA NAV	**8 660 723**	**8 956 893**	**8 206 006**	**8 424 808**	**6 939 687**	**7 378 078**
Fully diluted number of shares	81 303 869	82 038 045	81 303 869	82 038 045	81 303 869	82 038 045
EPRA NAV per share in CHF	**106.52**	**109.18**	**100.93**	**102.69**	**85.35**	**89.93**

[1] If IAS 40 cost option is used
[2] Only related to Real Estate segment
[3] Include off balance sheet intangibles of the Services segment. Basis of the valuation: business plan for the next four years approved by the BoD, average DCF and EBITDA-multiples based on comparable transactions. 9.5% average discount rate, 1.0% terminal growth

C. EPRA NIY and EPRA «topped-up» NIY (net initial yield) on rental income

in CHF 1 000		31.12.2021	31.12.2022
Investment property – wholly owned		12 740 034	13 013 756
Investment property – share of joint ventures/funds		n.a.	n.a.
Trading properties		53 466	73 959
Less: properties under construction and development sites, building land and trading properties		–1 103 475	–1 175 173
Value of completed property portfolio		**11 690 025**	**11 912 542**
Allowance for estimated purchasers´ costs		n.a.	n.a.
Gross up value of completed property portfolio	B	**11 690 025**	**11 912 542**
Annualised rental income		442 469	442 227
Property outgoings		–67 931	–67 280
Annualised net rental income	A	**374 538**	**374 947**
Add: notional rent expiration of rent-free periods or other lease incentives		10 214	7 120
Topped-up net annualised rental income	C	**384 752**	**382 067**
EPRA NIY	A/B	**3.2%**	**3.1%**
EPRA topped-up NIY	C/B	**3.3%**	**3.2%**

D. EPRA vacancy rate

in CHF 1 000		31.12.2021	31.12.2022
Estimated rental value of vacant space	A	17 246	16 470
Estimated rental value of the whole portfolio	B	458 685	458 616
EPRA vacancy rate	A/B	**3.8%**	**3.6%**

E. EPRA cost ratios

in CHF 1 000		01.01.–31.12.2021	01.01.–31.12.2022
Operating expenses per Real Estate segment income statement[1]		111 698	111 732
Net service charge costs/fees		–	–
Management fees less actual/estimated profit element		–	–
Other operating income/recharges intended to cover overhead expenses less any related profits		–	–
Share of Joint Ventures expenses		–	–
Exclude:			
Investment property depreciation		–	–
Ground rent costs		–	–
Service charge costs recovered through rents but not separately invoiced		–	–
EPRA costs (including direct vacancy costs)	A	**111 698**	**111 732**
Direct vacancy costs		–9 403	–9 590
EPRA costs (excluding direct vacancy costs)	B	**102 295**	**102 142**
Gross rental income less ground rents per IFRS[2]		464 060	467 177
Less: service fee and service charge costs components of gross rental income		–	–
Add: share of Joint Ventures (gross rental income less ground rents)		–	–
Gross rental income	C	**464 060**	**467 177**
EPRA cost ratio (including direct vacancy costs)	A/C	**24.1%**	**23.9%**
EPRA cost ratio (excluding direct vacancy costs)	B/C	**22.0%**	**21.9%**
Overhead and operating expenses capitalised		–	3 127

[1] Not included are cost of real estate developments, cost of trading properties sold and impairment of intangible assets
[2] Calculated at full occupancy

F. EPRA LTV

		Proportionate Consolidation			
in CHF 1 000	Group as reported	Share of Joint Ventures	Share of Material Associates	Non-con-trolling Interests	Combined 31.12.2022
Include:					
Borrowings from Financial Institutions	2 617 520	–	–	–	2 617 520
Commercial paper	–	–	–	–	–
Hybrids (including Convertibles, preference shares, debt, options, perpetuals)	544 130	–	–	–	544 130
Bond Loans	2 060 000	–	–	–	2 060 000
Foreign Currency Derivatives (futures, swaps, options and forwards)	–	–	–	–	–
Net Payables[1]	180 213	–	–	–	180 213
Owner-occupied property (debt)	–	–	–	–	–
Current accounts (Equity characteristic)	–	–	–	–	–
Exclude:					
Cash and cash equivalents	– 21 201	–	–	–	– 21 201
Net Debt (a)	**5 380 662**	–	–	–	**5 380 662**
Include:					
Owner-occupied property	572 645	–	–	–	572 645
Investment properties at fair value	11 288 676	–	–	–	11 288 676
Properties held for sale	183 032	–	–	–	183 032
Properties under development	1 043 362	–	–	–	1 043 362
Intangibles[2]	572 798	–	–	–	572 798
Net Receivables	–	–	–	–	–
Financial assets	1 352	–	–	–	1 352
Total Property Value (b)	**13 661 865**	–	–	–	**13 661 865**
LTV (a/b)	**39.4%**	–	–	–	**39.4%**

		Proportionate Consolidation			
in CHF 1 000	Group as reported	Share of Joint Ventures	Share of Material Associates	Non-con-trolling Interests	Combined 31.12.2021
Include:					
Borrowings from Financial Institutions	2 547 558	–	–	–	2 547 558
Commercial paper	–	–	–	–	–
Hybrids (including Convertibles, preference shares, debt, options, perpetuals)	544 130	–	–	–	544 130
Bond Loans	2 060 000	–	–	–	2 060 000
Foreign Currency Derivatives (futures, swaps, options and forwards)	–	–	–	–	–
Net Payables[1]	172 915	–	–	–	172 915
Owner-occupied property (debt)	–	–	–	–	–
Current accounts (Equity characteristic)	–	–	–	–	–
Exclude:					
Cash and cash equivalents	– 114 656	–	–	–	– 114 656
Net Debt (a)	**5 209 947**	–	–	–	**5 209 947**
Include:					
Owner-occupied property	597 611	–	–	–	597 611
Investment properties at fair value	11 044 259	–	–	–	11 044 259
Properties held for sale	303 590	–	–	–	303 590
Properties under development	848 040	–	–	–	848 040
Intangibles[2]	332 982	–	–	–	332 982
Net Receivables	–	–	–	–	–
Financial assets	2 635	–	–	–	2 635
Total Property Value (b)	**13 129 117**	–	–	–	**13 129 117**
LTV (a/b)	**39.7%**	–	–	–	**39.7%**

[1] Net payables include the following consolidated balance sheet line items: (–) accounts receivable, (–) other current receivables, (–) current income tax assets, (+) accounts payable, (+) other current liabilities, (+) advance payments, (+) current income tax liabilities

[2] Include among others off balance sheet intangibles of the Services segment. Basis of the valuation: business plan for the next four years approved by the BoD, average DCF and EBITDA-multiples based on comparable transactions. 9.5% average discount rate, 1.0% terminal growth

G. EPRA like-for-like rental change

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Rental income per Real Estate segment income statement	444 420	448 816
Acquisitions	– 171	– 1 046
Disposals	– 7 407	– 3 569
Development and new building projects	– 13 494	– 14 058
Property operating expenses	– 25 552	– 24 897
Property leases	– 6 641	– 6 850
Conversions, modifications, renovations	–	–
Other changes	–	–
Total EPRA like-for-like net rental income	**391 155**	**398 396**
EPRA like-for-like change absolute	**5 273**	**7 242**
EPRA like-for-like change relative	**1.3%**	**1.9%**
EPRA like-for-like change by areas		
Zurich	0.0%	2.4%
Lake Geneva	3.9%	4.2%
Northwestern Switzerland	2.5%	4.0%
Berne	0.5%	– 1.2%
Central Switzerland	3.7%	3.2%
Eastern Switzerland	– 2.2%	– 8.1%
Southern Switzerland	8.0%	– 16.4%
Western Switzerland	4.2%	– 2.5%

Like-for-like net rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described. Like-for-like rental growth 2022 is based on a portfolio of CHF 11 787.410 million [CHF 11 542.682 million] which grew in value by CHF 244.728 million [CHF 418.698 million].

H. Property-related EPRA CAPEX

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Acquisitions	18 082	61 224
Development (ground-up/green field/brown field)	178 682	212 552
Like-for-like portfolio	95 129	99 960
Capitalised interests	6 410	4 473
Other	142	515
Total EPRA capital expenditure	**298 445**	**378 724**
Conversion from accrual to cash basis	– 15 389	26 092
Total EPRA capital expenditure on cash basis	**283 056**	**404 816**

Independent Limited Assurance Report on the EPRA Reporting 2022

To the Board of Directors of Swiss Prime Site AG, Zug

We were engaged to carry out a limited assurance engagement on the EPRA Reporting containing the EPRA performance measures of Swiss Prime Site AG (hereafter "company") for the business year ended 31 December 2022, which are disclosed on the pages 70-74 of the financial report 2022.

The EPRA Reporting containing the EPRA performance measures was prepared by the Board of Directors of the company based on the corresponding Best Practices Recommendations of the European Public Real Estate Association (EPRA) as published in February 2022 ("the EPRA Best Practices Recommendations").

Our engagement does not cover any prior-year information disclosed in the EPRA Reporting.

Board of Directors' responsibility

The Board of Directors of the company is responsible for the preparation of the EPRA Reporting containing the EPRA performance measures in accordance with the EPRA Best Practices Recommendations. This responsibility includes the design, implementation and maintenance of systems, processes and internal controls relevant to the preparation of an EPRA Reporting containing the EPRA performance measures that is free from material misstatement, whether due to fraud or error. Management is further responsible for the selection and application of the EPRA Best Practices Recommendations as well as for maintaining adequate records in relation to the EPRA Reporting.

Auditors' responsibility

Our responsibility is to carry out a limited assurance engagement and to express a conclusion, based on our procedures performed and the evidence obtained, as to whether any matters have come to our attention that cause us to believe that the EPRA Reporting containing the EPRA performance measures have not been prepared, in all material respects, in accordance with the EPRA Best Practices Recommendations.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB). That standard requires that we plan and perform the engagement to obtain limited assurance about whether the EPRA Reporting containing the EPRA performance measures have been prepared in accordance with the EPRA Best Practices Recommendations in all material respects.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement, and consequently the level of assurance obtained is substantially lower. The procedures selected depend on the auditor's judgment. Taking into account risk and materiality considerations, we have carried out procedures in order to obtain sufficient appropriate evidence. These procedures included amongst others:

- Inquiries with persons responsible for the preparation of the EPRA performance measures and the EPRA Reporting;
- Assessing the EPRA performance measures regarding completeness and accuracy of the derivation and calculation based on the underlying IFRS numbers according to the consolidated financial statements of the company as at 31 December 2022 or if applicable other internal source data.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and quality control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the EPRA Reporting containing the EPRA performance measures of the company for the business year ended 31 December 2022 is not presented, in all material respects, in accordance with the EPRA Best Practices Recommendations as published in February 2022.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of the company, and solely for the purpose of reporting to them on EPRA Reporting containing the EPRA performance measures, and for no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the EPRA Reporting containing the EPRA performance measures, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of the company for our work or this report.

KPMG AG

Kurt Stocker
Licensed Audit Expert

Anna Pohle
Licensed Audit Expert

Zurich, 7 February 2023

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

Financial statements of Swiss Prime Site AG

Income statement

in CHF 1 000	Notes	01.01.–31.12.2021	01.01.–31.12.2022
Dividend income	2.1	192 683	246 000
Other financial income	2.2	13 290	11 442
Other operating income		193	1 472
Total operating income		**206 166**	**258 914**
Financial expenses	2.3	–13 403	–5 524
Personnel costs		–1 754	–1 901
Other operating expenses	2.4	–6 481	–9 376
Depreciation of participations		–9 311	–4 502
Total operating expenses		**–30 949**	**–21 303**
Result before taxes		**175 217**	**237 611**
Direct taxes		124	6
Profit	4	**175 341**	**237 617**

Balance sheet

in CHF 1 000	Notes	31.12.2021	31.12.2022
Assets			
Cash		39	148
Securities with market price		294	345
Other current receivables	2.5	192 624	247 440
Accrued income and prepaid expenses		1 575	1 427
Total current assets		**194 532**	**249 360**
Financial investments	2.6	67 559	82 040
Investments in subsidiaries	2.7	2 378 956	2 566 073
Accrued income and prepaid expenses		1 178	500
Total non-current assets		**2 447 693**	**2 648 613**
Total assets		**2 642 225**	**2 897 973**
Liabilities and shareholders´ equity			
Current interest-bearing liabilities		–	247 500
Other current liabilities	2.8	2 280	4 935
Accrued expenses		4 691	3 049
Total current liabilities		**6 971**	**255 484**
Non-current interest-bearing liabilities	2.9	694 862	657 096
Total non-current liabilities		**694 862**	**657 096**
Total liabilities		**701 833**	**912 580**
Share capital	2.10	1 162 347	153 437
Statutory reserves			
Statutory reserves from capital contributions		30 220	976 126
Legal retained earnings			
Reserves for treasury shares		55	5
Other legal retained earnings		147 378	202 249
Voluntary retained earnings			
Balance sheet profit	4	439 425	493 666
Other voluntary retained earnings		160 970	161 279
Treasury shares	2.11	–3	–1 369
Total shareholders´ equity		**1 940 392**	**1 985 393**
Total liabilities and shareholders´ equity		**2 642 225**	**2 897 973**

1 Accounting principles and valuation

1.1 In general

The financial statements of Swiss Prime Site AG, Alpenstrasse 15, 6300 Zug, were prepared in accordance with the provisions of Swiss accounting law (Section 32 of the Swiss Code of Obligations). The significant valuation principles applied, but not mandatory by law, are described in the following section.

1.2 Securities

Securities held on a short-term basis are valued at stock-exchange prices at the balance sheet date. Formation of a fluctuation reserve has been waived.

1.3 Interest-bearing liabilities

Interest-bearing liabilities are recognised in the balance sheet at nominal value. Premiums and discounts on bonds and convertible bonds, together with issuing costs, are recorded in accrued income and prepaid expenses and amortised over the term to maturity of the bond or convertible bond.

1.4 Treasury shares

Treasury shares are recognised at cost as a minus position in shareholders' equity at the time of acquisition. Given future re-divestment of the shares, the profit or loss is recognised in the income statement and recorded as financial income or expense, respectively.

1.5 Share-based compensation

If treasury shares are used for share-based compensation to the Board of Directors and employees, the value of the shares allocated is recognised as personnel costs. Any difference versus book value is posted to the financial result.

1.6 Dispensation of cash flow statement and additional information in the notes

Since Swiss Prime Site AG prepares the consolidated financial statements according to recognised accounting standards (IFRS), the Company has dispensed with providing information in the notes regarding audit fees as well as the presentation of a cash flow statement, in accordance with the relevant legal requirements.

2 Information relating to balance sheet and income statement positions

2.1 Dividend income

Dividend income includes the dividends from group companies of CHF 246.000 million [CHF 192.683 million] for the 2022 financial year. The dividends were recorded as receivables. This procedure was permissible since the companies closed their accounts on the same balance sheet date and the resolution on the dividend payment had been passed.

2.2 Other financial income

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Interests on loans from group companies	10 657	9 420
Result from investments in associates	1 596	1 788
Other financial income	1 037	234
Total	**13 290**	**11 442**

2.3 Financial expenses

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Early repayment penalty mortgages	–7 446	–
Interests on loans	–3 345	–2 909
Interest expenses on convertible bonds	–1 583	–1 583
Amortisation of cost of convertible bonds	–915	–915
Other financial expenses	–114	–117
Total	**–13 403**	**–5 524**

2.4 Other operating expenses

in CHF 1 000	01.01.–31.12.2021	01.01.–31.12.2022
Administration costs	–3 533	–7 356
Capital taxes	–2 027	–110
Other operating expenses	–921	–1 910
Total	–6 481	–9 376

2.5 Other current receivables

in CHF 1 000	31.12.2021	31.12.2022
Other current receivables from third parties	124	240
Other current receivables from group companies	192 500	247 200
Total	192 624	247 440

2.6 Financial investments

in CHF 1 000	31.12.2021	31.12.2022
Loans to group companies	65 019	78 000
Third loans	500	500
Participations under 20%	2 040	3 540
Total	67 559	82 040

2.7 Investments
Direct investments

	31.12.2021 Capital in CHF 1 000	Shareholding interest in %	31.12.2022 Capital in CHF 1 000	Shareholding interest in %
Flexoffice (Schweiz) AG, Zurich[1]	111	10.0	124	27.2
INOVIL SA, Lausanne	5 160	27.1	5 160	27.1
Jelmoli AG, Zurich	6 600	100.0	6 600	100.0
Parkgest Holding SA, Geneva	4 750	38.8	4 750	38.8
Swiss Prime Site Finance AG, Zug	100 000	100.0	100 000	100.0
Swiss Prime Site Immobilien AG, Zurich	50 000	100.0	50 000	100.0
Swiss Prime Site Management AG, Zug	100	100.0	100	100.0
Swiss Prime Site Solutions AG, Zug	1 500	100.0	1 500	100.0
Wincasa AG, Winterthur	1 500	100.0	1 500	100.0

[1] Acquisitions as at 07.03.2022 and as at 08.08.2022 during the current year

Indirect investments

	31.12.2021 Capital in CHF 1 000	Shareholding interest in %	31.12.2022 Capital in CHF 1 000	Shareholding interest in %
Akara Funds AG, Zug[2]	n.a.	n.a.	n.a.	n.a.
Akara Holding AG, Zug[2]	n.a.	n.a.	n.a.	n.a.
Akara Property Development AG, Zug[1]	n.a.	n.a.	100	100.0
Akara Real Estate Management AG, Zug[2]	n.a.	n.a.	n.a.	n.a.
Swiss Prime Site Dreispitz AG, Zurich[3]	5 295	100.0	n.a.	n.a.
streamnow ag, Zurich	100	100.0	100	100.0
Zimmermann Vins SA, Carouge	350	100.0	350	100.0

[1] Acquisition as at 10.01.2022
[2] Acquisition as at 10.01.2022, merger in Swiss Prime Site Solutions AG as at 01.07.2022
[3] Merger in Swiss Prime Site Immobilien AG as at 01.07.2022

2.8 Other current liabilities

in CHF 1 000	31.12.2021	31.12.2022
Other current liabilities to group companies	21	2 940
Other current liabilities to shareholders	299	313
Other current liabilities to third parties	1 960	1 682
Total	**2 280**	**4 935**

2.9 Non-current interest-bearing liabilities

in CHF 1 000	31.12.2021	31.12.2022
Convertible bonds	544 130	296 630
Mortgage-backed loans	100 000	100 000
Non-current financial liabilities to group companies	50 732	260 466
Total	**694 862**	**657 096**

Maturity structure of non-current interest-bearing liabilities

in CHF 1 000	31.12.2021	31.12.2022
Up to five years	619 862	632 096
Over five years	75 000	25 000
Total	**694 862**	**657 096**

Convertible bonds

		CHF 250 m 2023	CHF 300 m 2025
Issuing volume, nominal	CHF m	250.000	300.000
Book value as at 31.12.2022	**CHF m**	**247.500**	**296.630**
Book value as at 31.12.2021	CHF m	247.500	296.630
Conversion price	CHF	104.07	100.35
Interest rate	%	0.25	0.325
Term to maturity	years	7	7
Maturity	date	16.06.2023	16.01.2025
Securities number		32 811 156 (SPS16)	39 764 277 (SPS18)

2.10 Share capital and capital contribution reserves

As at the balance sheet date, the share capital comprised 76 718 604 [75 970 364] registered shares with a nominal value of CHF 2.00 per share [CHF 15.30]. In the reporting year, there was a nominal value reduction from CHF 15.30 to CHF 2.00. The number of registered shares was increased as part of a capital increase in connection with the acquisition of the Akara Group.

2.11 Treasury shares

Swiss Prime Site AG held 14 665 [30] treasury shares on the balance sheet date. As at the balance sheet date, the group companies held an additional 54 [625] Swiss Prime Site AG shares. Purchases and sales were carried out at the respective daily market rates.

Change in number of treasury shares	Volume-weighted average share price in CHF	2021 Number of treasury shares	Volume-weighted average share price in CHF	2022 Number of treasury shares
Holdings of treasury shares on 01.01.	–	497	–	30
Purchases at the volume-weighted average share price	92.35	7450	88.81	23549
Share-based compensation	89.65	–7917	81.31	–8914
Holdings of treasury shares on 31.12.	–	30	–	14665

3 Additional information

3.1 Full-time employees

Swiss Prime Site AG has no employees.

3.2 Leasing commitments not recognised in the balance sheet

Liabilities arising from leasing commitments that do not expire or cannot be terminated within 12 months of the balance sheet date amount to CHF 0.431 million.

3.3 Security provided for third-party liabilities

The Company has provided security in the amount of CHF 4 577.750 million [CHF 4 506.700 million]. This takes the form of guarantees for the financial liabilities of the subsidiary Swiss Prime Site Finance AG in the amount of CHF 4 576.700 million [CHF 4 506.700 million] and guarantee commitments of the subsidiary Swiss Prime Site Solutions AG in the amount of CHF 1.050 million [CHF 0 million].

3.4 Shareholding rights for Board of Directors and Executive Board

Number of shares	31.12.2021	31.12.2022
Board of Directors		
Ton Büchner, Chairman of the BoD	6 716	9 305
Mario F. Seris, Vice-Chairman of the BoD	16 172	17 265
Christopher M. Chambers, member of the BoD	44 620	45 655
Barbara Frei-Spreiter, member of the BoD[1]	3 967	n.a.
Barbara A. Knoflach, member of the BoD	754	1 789
Gabrielle Nater-Bass, member of the BoD	2 820	3 855
Thomas Studhalter, member of the BoD	4 141	5 234
Brigitte Walter, member of the BoD[2]	n.a.	818
Executive Board		
René Zahnd, member of the Executive Board (CEO)	12 894	17 067
Marcel Kucher, member of the Executive Board (CFO)	5 150	5 150
Martin Kaleja, member of the Executive Board and CEO of Swiss Prime Site Immobilien AG[3]	–	n.a.
Anastasius Tschopp, member of the Executive Board and CEO of Swiss Prime Site Solutions AG	581	581
Oliver Hofmann, member of the Executive Board and CEO of Wincasa AG	1 830	3 285
Nina Müller, member of the Executive Board and CEO of Jelmoli AG	–	–
Total share ownership	99 645	110 004

[1] until 23.03.2022
[2] since 23.03.2022
[3] until 25.08.2022

3.5 Major shareholders

Major shareholders (shareholding interest >3%)	31.12.2021 Shareholding interest in %	31.12.2022 Shareholding interest in %
BlackRock Inc., New York	<10.0	<10.0
Credit Suisse Funds AG, Zurich	7.7	8.0
UBS Fund Management (Switzerland) AG, Basel	3.8	4.5
State Street Corporation, Boston	>3.0	n.a.

3.6 Significant events after the balance sheet date

There were no significant events after the balance sheet date that would have an impact on the book values of the reported assets or liabilities, or which would need to be disclosed at this point.

4 Proposed appropriation of balance sheet profit

The Board of Directors proposes a distribution of CHF 3.40 per share to the Annual General Meeting of 21 March 2023. Based on the 76 718 604 shares issued in total as at 7 February 2023, the total amount is CHF 260.844 million. The Board of Directors proposes a distribution of CHF 1.70 from capital contribution reserves (exempt from withholding tax) and CHF 1.70 per share from the balance sheet profit (subject to withholding tax).

in CHF 1 000	31.12.2021	31.12.2022
Retained earnings brought forward	264 084	256 049
Profit	175 341	237 617
Total balance sheet profit	**439 425**	**493 666**
Allocation to general statutory reserves	–54 872	–
Allocation from capital contribution reserves	–	130 422
Distribution to shareholders	–128 504	–260 844
Balance brought forward to new account	**256 049**	**363 244**
Total distribution	**257 008**	**260 844**
thereof from capital contribution reserves	–	130 422
thereof from nominal value reduction	128 504	–
thereof from balance sheet profit	128 504	130 422

KPMG

Statutory Auditor's Report

To the General Meeting of Swiss Prime Site AG, Zug

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swiss Prime Site AG (the Company), which comprise the balance sheet as at 31 December 2022, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 77 to 84) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of

Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 7 February 2023

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

Five-year summary of key figures

		Swiss GAAP FER			IFRS	
	in	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Fair value of real estate portfolio	CHF m	11 204.4	11 765.4	12 322.6	12 793.5	13 087.7
Rental income from properties	CHF m	479.4	486.9	424.7	426.7	431.3
Vacancy rate	%	4.8	4.7	5.1	4.6	4.3
Net property yield	%	3.6	3.5	3.2	3.2	3.1
Income from real estate developments	CHF m	72.8	79.8	50.1	52.0	9.1
Income from real estate services	CHF m	116.7	117.5	115.2	119.4	125.6
Income from retail	CHF m	131.3	127.8	110.6	119.5	132.1
Income from assisted living	CHF m	396.9	423.9	72.4	–	–
Income from asset management	CHF m	8.5	13.5	13.1	18.2	52.0
Total operating income	CHF m	1 214.1	1 258.8	792.9	749.5	774.4
Operating result before depreciation and amortisation (EBITDA)	CHF m	501.2	653.4	779.9	730.0	618.4
Operating result (EBIT)	CHF m	478.6	628.3	762.3	706.7	559.4
Profit	CHF m	310.9	608.5	610.4	498.9	404.4
Shareholders´ equity	CHF m	5 145.1	5 459.2	6 085.6	6 409.7	6 569.3
Equity ratio	%	43.9	44.4	47.8	47.5	47.7
Borrowed capital	CHF m	6 564.2	6 841.7	6 640.6	7 089.7	7 201.9
Borrowed capital ratio	%	56.1	55.6	52.2	52.5	52.3
Total shareholders' equity and borrowed capital	CHF m	11 709.3	12 300.9	12 726.2	13 499.3	13 771.2
Interest-bearing financial liabilities	CHF m	5 073.5	5 378.4	5 164.0	5 430.0	5 505.4
Interest-bearing financial liabilities in % of balance sheet total	%	43.3	43.7	40.6	40.2	40.0
Loan-to-value ratio of property portfolio (LTV)	%	45.3	45.7	41.9	40.2	38.9
Weighted average interest rate on financial liabilities	%	1.4	1.2	1.1	0.8	0.9
Weighted average residual term to maturity of interest-bearing financial liabilities	years	4.3	4.2	4.8	5.8	5.0
Return on equity (ROE)	%	6.4	11.5	10.6	8.0	6.2
Return on invested capital (ROIC)	%	3.4	5.6	5.4	4.3	3.3
Cash flow from operating activities	CHF m	334.4	406.6	298.5	442.4	364.9
Cash flow from investing activities	CHF m	–495.6	–338.6	236.0	–108.7	–214.3
Cash flow from financing activities	CHF m	186.6	–79.5	–564.8	–361.8	–244.0
Key financial figures excluding revaluations and all deferred taxes						
Operating result (EBIT)	CHF m	411.1	424.9	558.9	404.8	389.6
Profit	CHF m	287.8	315.7	476.6	293.7	300.6
Return on equity (ROE)	%	5.9	6.3	8.5	4.8	4.7
Return on invested capital (ROIC)	%	3.2	3.2	4.3	2.8	2.6

Five-year summary of key figures

		Swiss GAAP FER			IFRS	
Key figures per share	**in**	**31.12.2018**	**31.12.2019**	**31.12.2020**	**31.12.2021**	**31.12.2022**
Share price at end of period	CHF	79.55	111.90	86.90	89.65	80.15
Share price, highest	CHF	94.30	113.30	123.70	99.90	98.32
Share price, lowest	CHF	77.45	80.20	74.75	85.00	73.70
Earnings per share (EPS)	CHF	4.27	8.00	8.04	6.57	5.27
Earnings per share (EPS) excluding revaluations and deferred taxes	CHF	3.95	4.14	6.27	3.87	3.92
NAV before deferred taxes[1]	CHF	83.40	86.34	95.41	101.22	102.96
NAV after deferred taxes[1]	CHF	67.74	71.87	80.11	84.37	85.64
Distribution to shareholders[2]	CHF	3.80	3.80	3.35	3.35	3.40
Cash yield on closing price of the previous year[2]	%	4.8	3.4	3.9	3.7	4.2
Share performance (TR) p.a. in the last 12 months	%	–7.1	47.0	–19.2	7.0	–7.3
Share performance (TR) p.a. in the last 3 years	%	5.1	15.4	3.3	8.3	–7.1
Share performance (TR) p.a. in the last 5 years	%	7.9	14.2	6.6	5.9	1.8
Market capitalisation	CHF m	6 041.5	8 498.4	6 601.8	6 810.7	6 149.0
Employees						
Number of employees	people	6 321	6 506	1 728	1 667	1 779
Full-time equivalents	FTE	5 115	5 402	1 505	1 474	1 567
Share statistics						
Shares issued	number	75 946 349	75 946 349	75 970 364	75 970 364	76 718 604
Average treasury shares held	number	–377	–1 114	–3 693	–2 260	–13 216
Average outstanding shares	number	72 620 217	75 945 235	75 964 863	75 968 104	76 697 074
Treasury shares held	number	–539	–1 112	–1 844	–655	–14 719
Outstanding shares	number	75 945 810	75 945 237	75 968 520	75 969 709	76 703 885

[1] Services segment (real estate-related business fields) included at book values and not at fair values
[2] 31.12.2022, according to proposal to Annual General Meeting

Property details

Summary

Property details as at 31.12.2022	Fair Value TCHF	Target rental and land lease income TCHF	Vacancy rate %	Site area m²	Overview of type of use: Total m² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Total properties	11 907 203	456 463	4.2	1 117 985	1 597 163	17.3	41.4	7.1	8.6	22.5	3.1
Total building land	63 191	273	–	78 950	19 431	–	1.5	–	–	–	98.5
Total properties under construction and development sites	1 117 321	11 260	0.1	62 203	36 862	7.2	62.5	5.6	–	22.1	2.6
Overall total	13 087 715	467 996		1 259 138	1 653 456	16.9	41.4	7.0	8.3	22.3	4.1
Rent losses from vacancies		–19 180									
Consolidated subtotal segment		448 816	4.1								
Intercompany eliminations		–30 710									
Rental income from third parties, Services segment		13 218									
Consolidated overall total		431 324	4.3								

Investment properties

Property details as at 31.12.2022							Overview of type of use						
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m²	Total m² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Aarau, Bahnhofstrasse 23	867	9.3	sole ownership	1946	1986	685	1 817	55.2	28.1	–	–	12.4	4.3
Amriswil, Weinfelderstrasse 74	2		sold 01.01.2022										
Baar, Grabenstrasse 17, 19	1 172	–	sole ownership	2015		2 084	3 685	–	95.8	–	–	4.2	–
Baar, Zugerstrasse 57, 63	2 419	–	sole ownership	2009		6 029	8 999	–	89.8	–	–	6.7	3.5
Baden, Bahnhofstrasse 2	340	–	sole ownership	1927	1975	212	979	93.4	–	–	–	6.6	–
Baden, Weite Gasse 34, 36	430	2.5	sole ownership	1953	1975	366	1 377	16.3	30.9	–	–	8.0	44.8
Basel, Aeschenvorstadt 2–4	1 994	2.7	sole ownership	1960	2005	1 362	6 226	17.1	63.8	–	–	18.6	0.5
Basel, Barfüsserplatz 3	1 218	14.0	sole ownership	1874	2020	751	3 827	9.7	78.6	–	–	11.6	0.1
Basel, Centralbahnplatz 9/10	812	2.7	sole ownership	1870/ 2005	2005	403	1 445	6.6	37.9	22.9	–	14.7	17.9
Basel, Elisabethenstrasse 15	1 375	–	sole ownership	1933	1993	953	4 281	13.0	71.7	7.8	–	7.5	–
Basel, Freie Strasse 26/Falknerstrasse 3	1 271	4.4	sole ownership	1854	1980	471	2 877	43.5	50.2	–	–	6.3	–
Basel, Freie Strasse 36	1 550	–	sole ownership	1894	2003	517	2 429	59.4	13.6	–	–	21.5	5.5
Basel, Freie Strasse 68	2 349	–	sole ownership	1930	2015/ 2016	1 461	8 200	19.5	1.2	62.9	–	15.9	0.5
Basel, Henric Petri-Strasse 9/Elisabethenstrasse 19	1 592	1.5	sole ownership	1949	1985	2 387	6 695	4.3	76.0	–	–	19.7	–
Basel, Hochbergerstrasse 40/parking	589	2.7	sole ownership land lease	1976		4 209	–	–	–	–	–	–	–
Basel, Hochbergerstrasse 60/building 860	166	22.8	sole ownership	1990		980	897	–	84.1	–	–	14.1	1.8
Basel, Hochbergerstrasse 60/Stücki Park	7 379	–	sole ownership	2008		8 343	37 293	–	80.8	–	–	19.1	0.1
Basel, Hochbergerstrasse 62	424	–	sole ownership	2005		2 680	–	–	–	–	–	–	–
Basel, Hochbergerstrasse 70/Stücki Park (Shopping)	8 182	8.1	sole ownership	2009	2019– 2021	46 416	44 079	20.9	15.0	55.7	–	7.9	0.5
Basel, Messeplatz 12/Messeturm	9 183	16.9	sole ownership partial land lease	2003		2 137	23 797	–	53.9	42.7	–	3.4	–
Basel, Peter Merian-Strasse 80[1]	441	0.7	freehold property	1999		19 214	8 116	–	81.2	–	–	16.7	2.1
Basel, Rebgasse 20	2 910	3.2	sole ownership	1973	1998	3 713	8 843	47.3	11.9	14.7	–	15.1	11.0
Berlingen, Seestrasse 83, 88, 101, 154	1 995	–	sole ownership	1948– 1998		10 321	8 650	–	–	–	100.0	–	–
Berne, Genfergasse 14	4 344	–	sole ownership	1905	1998	4 602	15 801	–	89.1	–	–	10.9	–
Berne, Mingerstrasse 12–18/PostFinance Arena	6 588	–	sole ownership land lease	1969/ 2009	2009	29 098	46 298	0.2	17.6	–	–	82.2	–
Berne, Schwarztorstrasse 48	1 817	0.2	sole ownership	1981	2011	1 959	8 163	–	75.5	–	–	24.3	0.2
Berne, Viktoriastrasse 21, 21a, 21b/Schönburg	6 184	0.7	sole ownership	1970/ 2020	2020	14 036	20 930	7.9	–	34.6	–	3.4	54.1
Berne, Wankdorfallee 4/EspacePost	8 190	–	sole ownership land lease	2014		5 244	33 647	–	94.2	–	–	4.9	0.9
Berne, Weltpoststrasse 5	5 001	10.1	sole ownership land lease	1975/ 1985	2013	19 374	25 175	–	68.3	4.4	–	25.4	1.9
Biel, Solothurnstrasse 122	500	–	sole ownership land lease	1961	1993	3 885	3 319	74.9	2.7	–	–	15.3	7.1
Brugg, Hauptstrasse 2	922	8.6	sole ownership	1958	2000	3 364	4 179	42.1	4.2	22.2	–	28.8	2.7
Buchs SG, St. Gallerstrasse 5	405	6.7	sole ownership	1995		2 192	1 685	–	71.8	–	–	19.3	8.9
Buchs ZH, Mülibachstrasse 41	1 610	–	sole ownership	2009/ 2020		20 197	10 030	–	17.3	–	–	82.7	–
Burgdorf, Emmentalstrasse 14	101		sold 31.03.2022										
Burgdorf, Industrie Buchmatt	798	–	sole ownership partial land lease	1973		15 141	11 967	2.9	5.4	–	–	91.3	0.4
Carouge, Avenue Cardinal-Mermillod 36–44	9 345	3.9	sole ownership	1956	2002	14 372	35 035	22.9	56.6	3.5	–	15.8	1.2
Carouge, Rue Antoine-Jolivet 7	312	–	freehold property and co-ownership land lease	1975		3 693	3 515	3.8	0.7	5.0	–	26.1	64.4
Cham, Dorfplatz 2	1		sold 01.01.2022										
Conthey, Route Cantonale 2	383	–	sole ownership	1989		3 057	2 480	71.6	4.6	–	–	23.0	0.8

[1] Not available for rent between April 2021 and June 2022 due to extensive interior renovations

Existing properties

Property details as at 31.12.2022							Overview of type of use						
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m^2	Total m^2 commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Conthey, Route Cantonale 4	863	30.4	sole ownership land lease	2009		7 444	4 979	80.3	–	3.0	–	15.7	1.0
Conthey, Route Cantonale 11	1 615	16.1	sole ownership land lease	2002		10 537	7 297	62.1	20.5	0.7	–	14.0	2.7
Dietikon, Bahnhofplatz 11/Neumattstrasse 24	538	1.0	sole ownership	1989		1 004	1 793	19.4	55.8	–	–	24.3	0.5
Dietikon, Kirchstrasse 20	–		sold 01.01.2022										
Dübendorf, Bahnhofstrasse 1	405	–	sole ownership land lease	1988		1 308	1 671	5.9	71.1	–	–	23.0	–
Eyholz, Kantonsstrasse 79	289	–	sole ownership land lease	1991		2 719	1 319	92.3	5.6	–	–	1.5	0.6
Frauenfeld, St. Gallerstrasse 30–30c	1 734	–	sole ownership	1991		8 842	9 528	–	–	–	100.0	–	–
Frauenfeld, Zürcherstrasse 305	581	25.4	sole ownership	1982	2006	3 866	4 213	39.2	34.4	–	–	22.1	4.3
Frick, Hauptstrasse 132/Fricktal Centre A3	1 071	4.6	sole ownership	2007		13 365	5 011	66.0	–	3.1	–	28.3	2.6
Geneva, Centre Rhône-Fusterie	3 083	–	freehold property	1990		2 530	11 186	76.2	0.3	–	–	23.5	–
Geneva, Place du Molard 2–4[2]	6 991	–	sole ownership	1690	2002	1 718	7 263	38.2	56.5	0.5	–	4.1	0.7
Geneva, Route de Malagnou 6/Rue Michel-Chauvet 7	782	0.4	sole ownership	1960/ 1969	1989	1 321	1 602	–	47.0	11.8	–	3.9	37.3
Geneva, Route de Meyrin 49	2 627	24.4	sole ownership	1987		9 890	10 234	–	85.2	–	–	12.9	1.9
Geneva, Rue de la Croix-d'Or 7/Rue Neuve-du-Molard 4–6	2 297	5.4	sole ownership	1974/ 1985	1994	591	3 478	37.8	24.2	0.5	–	3.8	33.7
Geneva, Rue des Alpes 5	914	3.9	sole ownership	1860		747	2 704	9.8	45.1	1.4	–	0.6	43.1
Geneva, Rue du Rhône 48–50[3]	17 854	1.2	sole ownership	1921	2002	5 166	33 414	44.4	33.4	7.2	–	12.8	2.2
Gossau SG, Wilerstrasse 82	1 057	2.1	sole ownership	2007		13 064	4 688	74.7	5.5	–	–	17.0	2.8
Grand-Lancy, Route des Jeunes 10/CCL La Praille	15 641	1.7	sole ownership land lease	2002		20 597	36 052	51.5	1.0	29.1	–	16.5	1.9
Grand-Lancy, Route des Jeunes 12	2 205	4.7	sole ownership land lease	2003		5 344	12 723	0.2	38.8	44.8	–	14.1	2.1
Heimberg, Gurnigelstrasse 38	556	0.1	sole ownership land lease	2000		7 484	1 572	82.1	2.8	–	–	8.6	6.5
La Chaux-de-Fonds, Boulevard des Eplatures 44	393	–	sole ownership	1972		3 021	2 504	96.1	0.6	–	–	3.0	0.3
Lachen, Seidenstrasse 2	350	–	sole ownership	1993		708	1 532	–	81.5	–	–	18.5	–
Lausanne, Rue de Sébeillon 9/Sébeillon Centre	1 009	0.6	sole ownership	1930	2001	2 923	10 116	8.4	54.1	–	–	36.1	1.4
Lausanne, Rue du Pont 5	7 434	4.3	sole ownership	1910	2004	3 884	20 805	50.5	23.3	9.2	–	15.3	1.7
Lutry, Route de l'Ancienne Ciblerie 2	1 341	–	freehold property	2006		13 150	3 264	69.6	7.6	1.9	–	18.1	2.8
Lucerne, Kreuzbuchstrasse 33/35	1 905	–	sole ownership land lease	2010		14 402	10 533	–	–	–	100.0	–	–
Lucerne, Langensandstrasse 23/Schönbühl	2 813	1.2	sole ownership	1969	2007	20 150	9 433	65.2	10.8	1.9	–	21.6	0.5
Lucerne, Pilatusstrasse 4/Flora	3 446	–	freehold property	1979	2008	4 376	9 906	69.6	12.1	–	–	15.0	3.3
Lucerne, Schwanenplatz 3	745	1.5	sole ownership	1958	2004	250	1 512	10.8	62.6	–	–	18.7	7.9
Lucerne, Schweizerhofquai 6/Gotthardgebäude	2 126	–	sole ownership	1889	2002	2 479	7 261	6.8	87.9	–	–	5.3	–
Lucerne, Weggisgasse 20, 22	607	–	sole ownership	1982		228	1 285	76.8	–	–	–	23.2	–
Meilen, Seestrasse 545	516	–	sole ownership land lease	2008		1 645	2 458	–	–	–	100.0	–	–
Meyrin, Chemin de Riantbosson 19/Riantbosson Centre	2 607	19.3	sole ownership	2018		4 414	7 611	33.3	38.3	9.8	–	15.6	3.0
Meyrin, Route de Meyrin 210	247	–	sole ownership partial land lease	1979	1999	3 860	1 116	65.7	4.3	–	–	28.8	1.2
Meyrin, Route de Pré-Bois 14/Geneva Business Terminal	1 476	7.2	sole ownership land lease	2003/ 2018		2 156	2 929	6.1	87.7	–	–	6.2	–
Monthey, Rue de Venise 5–7/Avenue de la Plantaud 4	1 313	–	sole ownership	2021		1 785	3 649	–	–	–	100.0	–	–
Morges, Les Vergers-de-la-Gottaz 1	1 125	–	sole ownership	1795/ 2003	1995	11 537	3 698	–	–	–	100.0	–	–
Münchenstein, Genuastrasse 11	1 489	–	sole ownership land lease	1993		7 550	10 109	–	21.5	–	–	72.1	6.4
Münchenstein, Helsinkistrasse 12	362	–	sole ownership land lease	1998		4 744	6 592	–	1.4	–	–	90.6	8.0
Neuchâtel, Avenue J.-J. Rousseau 7	–		sold 01.01.2022										

[2] 1 464 m^2 of vacant space cannot be let due to a modification project and is therefore not included in the vacancy rate
[3] 3 598 m^2 of vacant space cannot be let due to a modification project and is therefore not included in the vacancy rate

Existing properties

Property details as at 31.12.2022							Overview of type of use						
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m²	Total m² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Neuchâtel, Rue de l'Ecluse 19/parking	35		sold 31.10.2022										
Neuchâtel, Rue du Temple-Neuf 11	236		sold 31.10.2022										
Neuchâtel, Rue du Temple-Neuf 14	1 949		sold 31.10.2022										
Niederwangen b. Bern, Riedmoosstrasse 10	2 326	–	sole ownership	1985	2006	12 709	12 855	33.3	13.2	–	–	51.6	1.9
Oberbüren, Buchental 2	762	–	sole ownership	1980	2007	6 391	6 486	34.3	1.8	–	–	63.5	0.4
Oberbüren, Buchental 3	279	63.6	sole ownership	1964		4 651	2 336	20.8	27.1	–	–	42.1	10.0
Oberbüren, Buchental 3a	239	–	sole ownership	1964		3 613	2 464	–	–	–	–	100.0	–
Oberbüren, Buchental 4	–8		sold 01.01.2022										
Oberbüren, Buchental 5	65	31.2	sole ownership	1920		3 456	1 648	–	12.1	–	–	54.4	33.5
Oberwil BL, Mühlemattstrasse 23	316	–	freehold property land lease	1986		6 200	1 652	75.9	4.2	–	–	18.6	1.3
Oftringen, Spitalweidstrasse 1/shopping centre a1	4 524	–	sole ownership	2006/ 2020	2020	42 031	23 703	78.8	–	0.5	–	19.8	0.9
Olten, Bahnhofquai 18	1 634	0.7	sole ownership	1996		2 553	5 134	–	93.6	–	–	6.4	–
Olten, Bahnhofquai 20	2 043	–	sole ownership	1999		1 916	7 423	–	84.8	–	–	14.4	0.8
Olten, Frohburgstrasse 1	156	14.4	sole ownership	1899	2009	379	1 199	–	78.3	–	–	21.7	–
Olten, Frohburgstrasse 15	552	1.2	sole ownership	1961	1998	596	1 863	–	78.6	–	–	21.4	–
Olten, Solothurnerstrasse 201	333	–	sole ownership	2006		5 156	1 592	62.3	–	–	–	32.3	5.4
Olten, Solothurnerstrasse 231–235/Usego	2 012	16.1	sole ownership	1907	2011	8 493	11 515	–	63.6	–	–	36.3	0.1
Opfikon, Müllackerstrasse 2, 4/Bubenholz	2 059	–	sole ownership	2015		6 169	10 802	–	–	–	100.0	–	–
Ostermundigen, Mitteldorfstrasse 16	1 774	–	sole ownership	2009		7 503	10 925	–	–	–	100.0	–	–
Otelfingen, Industriestrasse 19/21	7 226	10.6	sole ownership	1965	2000	101 933	79 883	–	15.8	–	–	80.9	3.3
Otelfingen, Industriestrasse 31	1 031	17.7	sole ownership	1986	1993	12 135	11 796	–	31.3	0.4	–	66.3	2.0
Payerne, Route de Bussy 2	1 221	–	sole ownership	2006		12 400	6 017	83.9	4.4	–	–	11.0	0.7
Petit-Lancy, Route de Chancy 59	7 040	33.6	sole ownership	1990		13 052	22 023	–	68.8	6.4	–	24.1	0.7
Pfäffikon SZ, Huobstrasse 5	2 835	–	sole ownership	2004		7 005	11 660	–	–	–	100.0	–	–
Plan-les-Ouates, Route de la Galaise 13A, 13B, 15A, 15B/ Espace Tourbillon[4]	3 714		sold 15.12.2022										
Regensdorf, Riedthofstrasse 172–184/Iseli-Areal	1 591	11.3	sole ownership	1962/ 2009		25 003	13 499	–	7.5	–	–	71.1	21.4
Richterswil, Gartenstrasse 7, 17/Etzelblick 4[5]	1 218	–	sole ownership	2022		6 373	8 167	–	–	–	100.0	–	–
Romanel, Chemin du Marais 8	1 217	18.6	sole ownership	1973	1995	7 264	6 694	88.1	–	–	–	11.3	0.6
Schwyz, Oberer Steisteg 18, 20	–		sold 01.01.2022										
Spreitenbach, Industriestrasse/Tivoli	504	–	freehold property	1974	2010	25 780	980	87.2	–	–	–	12.8	–
Spreitenbach, Müslistrasse 44	257	–	sole ownership	2002		2 856	516	–	6.9	30.3	–	11.4	51.4
Spreitenbach, Pfadackerstrasse 6/Limmatpark	5 137	9.1	sole ownership	1972	2003	10 318	28 437	62.5	27.1	–	–	7.4	3.0
St. Gallen, Spisergasse 12	18		sold 01.02.2022										
St. Gallen, Spisergasse 12	15		sold 01.02.2022										
St. Gallen, Zürcherstrasse 462–464/Shopping Arena	14 975	1.7	sole ownership parking 73/100 co-ownership	2008		33 106	39 379	56.2	9.7	11.3	–	20.2	2.6
Sursee, Moosgasse 20	633	0.3	sole ownership	1998		4 171	2 409	83.4	–	–	–	16.4	0.2
Thônex, Rue de Genève 104–108	4 501	0.7	sole ownership	2008		9 224	11 451	54.7	3.1	3.5	–	13.0	25.7
Thun, Bälliz 67	820	15.6	sole ownership	1953	2001	875	3 128	20.4	62.4	2.1	–	11.3	3.8
Thun, Göttibachweg 2–2e, 4, 6, 8	2 251	–	sole ownership land lease	2003		14 520	11 556	–	–	–	100.0	–	–
Uster, Poststrasse 10	378	0.9	sole ownership	1972	2012	701	1 431	–	78.4	–	–	21.6	–
Uster, Poststrasse 12	196	–	sole ownership	1890		478	673	35.7	6.7	–	–	–	57.6
Uster, Poststrasse 14/20	648	0.7	sole ownership	1854	2000	2 449	3 191	63.4	12.5	3.8	–	19.5	0.8
Vernier, Chemin de l'Etang 72/Patio Plaza	4 063	30.1	sole ownership	2007		10 170	13 563	–	82.0	–	–	17.2	0.8
Vevey, Rue de la Clergère 1	736	1.7	sole ownership	1927	1994	717	3 055	–	88.8	–	–	11.2	–
Wabern, Nesslerenweg 30	1 023	–	sole ownership	1990		4 397	6 288	–	–	–	100.0	–	–

[4] Reclassified from properties under construction and development sites to existing properties after the new construction. Up to the end of 2021, reported as one project together with Route de la Galaise 11A, 11B in Plan-les-Ouates

[5] Reclassified from properties under construction and development sites to existing properties after the new construction

Investment properties

Property details as at 31.12.2022	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m²	Overview of type of use: Total m² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Wil, Obere Bahnhofstrasse 40	872	–	sole ownership	1958	2008	1 105	2 877	80.4	8.6	–	–	10.5	0.5
Winterthur, Theaterstrasse 15a-c, 17	8 318	7.7	sole ownership	1999/ 2000/ 2004		15 069	37 215	–	71.3	0.5	–	22.0	6.2
Winterthur, Untertor 24	399	–	sole ownership	1960	2006	290	1 364	–	69.9	–	–	30.1	–
Worblaufen, Alte Tiefenaustrasse 6	7 513	–	sole ownership	1999		21 804	37 170	–	87.4	–	–	12.6	–
Zollikofen, Industriestrasse 21	1 606	–	sole ownership	2003	2016	2 906	7 263	–	73.6	3.1	–	23.3	–
Zollikon, Bergstrasse 17, 19	594	3.0	sole ownership	1989	2004	1 768	2 126	–	70.2	–	–	29.8	–
Zollikon, Forchstrasse 452–456	632	–	sole ownership	1984/ 1998		2 626	2 251	–	68.4	–	–	31.6	–
Zuchwil, Dorfackerstrasse 45/Birchi Centre	2 235	19.4	sole ownership land lease	1997		9 563	13 277	62.8	1.4	14.5	–	12.2	9.1
Zug, Zählerweg 4, 6/Dammstrasse 19/ Landis + Gyr-Strasse 3/Opus 1	5 960	0.1	sole ownership	2002		7 400	16 035	–	90.5	–	–	9.5	–
Zug, Zählerweg 8, 10/Dammstrasse 21, 23/Opus 2	7 602	0.9	sole ownership	2003		8 981	20 108	–	91.2	–	–	8.8	–
Zurich, Affolternstrasse 52/MFO building	44	–	sole ownership	1889	2012	1 367	2 776	–	53.1	25.8	–	21.1	–
Zurich, Affolternstrasse 54, 56/Cityport	9 344	–	sole ownership	2001		9 830	23 529	–	92.0	–	–	7.7	0.3
Zurich, Albisriederstrasse 203, 207, 243	2 136	15.0	sole ownership	1942– 2003		13 978	11 623	–	61.3	22.7	–	15.2	0.8
Zurich, Albisriederstrasse/Rütiwiesweg/YOND	5 480	0.3	sole ownership	2019		9 021	19 526	4.2	90.1	–	–	5.5	0.2
Zurich, Bahnhofstrasse 42	2 449	–	sole ownership	1968	1990	482	2 003	42.7	44.6	–	–	12.7	–
Zurich, Bahnhofstrasse 69	1 591	2.4	sole ownership	1898	2007	230	1 127	10.8	77.9	–	–	11.0	0.3
Zurich, Bahnhofstrasse 106	1 605	2.8	sole ownership	1958		200	1 208	11.7	53.3	–	–	35.0	–
Zurich, Beethovenstrasse 33, Dreikönigstrasse 24	3 886	–	sole ownership	1966– 1968	2013– 2016	1 347	5 797	–	85.6	2.1	–	11.4	0.9
Zurich, Brandschenkestrasse 25	4 643	–	sole ownership	1910	2015– 2017	3 902	17 164	–	–	70.6	–	29.4	–
Zurich, Carl-Spitteler-Strasse 68/70	4 112	–	sole ownership	1993		11 732	19 343	–	–	–	100.0	–	–
Zurich, Etzelstrasse 14	1 216	–	sole ownership	2017		1 809	2 135	–	–	–	100.0	–	–
Zurich, Flurstrasse 55/Medienpark	6 270	4.5	sole ownership	1979	2013– 2015	8 270	24 162	1.7	70.4	4.1	–	23.8	–
Zurich, Flurstrasse 89	470	–	sole ownership	1949	2003	2 330	3 331	–	12.0	–	–	88.0	–
Zurich, Fraumünsterstrasse 16	5 113	0.3	sole ownership	1901	2017	2 475	8 588	15.4	73.9	–	–	10.7	–
Zurich, Giesshübelstrasse 15	1 347	0.1	sole ownership	1956	1999	1 713	2 854	–	88.2	–	–	11.8	–
Zurich, Hagenholzstrasse 60/SkyKey	11 239	–	sole ownership	2014		9 573	41 251	–	86.0	9.8	–	4.2	–
Zurich, Hardstrasse 201/Prime Tower	20 626	3.2	sole ownership	2011		10 451	48 097	0.7	87.4	5.5	–	6.3	0.1
Zurich, Hardstrasse 219/Eventblock Maag	1 129	1.9	sole ownership	1929– 1978		9 507	7 183	–	21.7	–	–	76.2	2.1
Zurich, Josefstrasse 53, 59	3 924	1.4	sole ownership	1962/ 1972	2001	2 931	12 122	5.6	78.2	1.4	–	14.3	0.5
Zurich, Juchstrasse 3/West-Log	3 091	16.2	sole ownership	2021		7 733	17 328	1.3	43.2	–	–	54.7	0.8
Zurich, Jupiterstrasse 15/Böcklinstrasse 19	943	–	sole ownership	1900/ 1995	1996	1 630	1 829	–	–	–	100.0	–	–
Zurich, Kappenbühlweg 9, 11/Holbrigstrasse 10/ Regensdorferstrasse 18a	3 054	–	sole ownership	1991		9 557	14 790	–	–	–	100.0	–	–
Zurich, Maagplatz 1/Platform	6 988	–	sole ownership	2011		5 907	20 310	2.1	91.1	0.5	–	6.3	–
Zurich, Manessestrasse 85	2 789	6.2	sole ownership	1985	2012	3 284	8 270	–	71.2	–	–	25.8	3.0
Zurich, Nansenstrasse 5/7	2 335	0.1	sole ownership	1985		1 740	5 864	39.1	27.0	–	–	6.2	27.7
Zurich, Ohmstrasse 11, 11a	2 144	–	sole ownership	1927	2007	1 970	6 031	54.7	23.4	2.2	–	15.8	3.9
Zurich, Querstrasse 6	183	0.4	sole ownership	1927	1990	280	563	7.6	5.7	–	–	–	86.7
Zurich, Restelbergstrasse 108	358	–	sole ownership	1936	1997	1 469	672	–	–	–	100.0	–	–
Zurich, Seidengasse 1/Jelmoli	27 300	–	sole ownership	1898	2010	6 514	36 770	64.6	3.7	13.3	–	12.8	5.6
Zurich, Siewerdtstrasse 8	1 147	–	sole ownership	1981		1 114	3 687	–	91.1	–	–	8.9	–
Zurich, Sihlstrasse 24/St. Annagasse 16	1 642	–	sole ownership	1885	2007	1 155	2 837	3.9	71.1	15.3	–	6.1	3.6

Investment properties

Property details as at 31.12.2022							Overview of type of use						
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m²	Total m² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Zurich, Steinmühleplatz 1/St. Annagasse 18/Sihlstrasse 20	3782	0.2	sole ownership	1957	1999	1534	6277	10.9	67.7	2.2	–	18.0	1.2
Zurich, Steinmühleplatz/Jelmoli parking	2965	–	sole ownership with concession	1972	2009	1970	84	100.0	–	–	–	–	–
Zurich, Talacker 21, 23	3035	1.2	sole ownership	1965	2008	1720	4904	9.6	64.2	–	–	26.2	–
Zurich, Vulkanstrasse 126	250	–	sole ownership	1942/ 1972/ 1979		4298	2273	–	17.1	–	–	82.9	–
Total properties	456463	4.2				1117985	1597163	17.3	41.4	7.1	8.6	22.5	3.1

Building land

Property details as at 31.12.2022	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m²	Overview of type of use: Total m² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Augst, Rheinstrasse 54	106	–	sole ownership			10958	1	–	–	–	–	–	100.0
Dietikon, Bodacher	23	–	sole ownership			13293	1375	–	–	–	–	–	100.0
Dietikon, Bodacher/Im Maienweg	–	–	sole ownership			4249	4240	–	–	–	–	–	100.0
Dietikon, Bodacher/Ziegelägerten	10	–	sole ownership			3740	4324	–	–	–	–	–	100.0
Meyrin, Route de Pré-Bois	35	–	sole ownership			10183	372	–	79.0	–	–	–	21.0
Niederwangen b. Bern, Riedmoosstrasse 10	–	–	sole ownership			5895	–	–	–	–	–	–	–
Oberbüren, Buchental/parking	29	–	sole ownership			1825	–	–	–	–	–	–	–
Spreitenbach, Joosäcker 7	37	–	sole ownership			16256	7759	–	–	–	–	–	100.0
Wangen b. Olten, Rickenbacherfeld	–	–	sole ownership			11 197	–	–	–	–	–	–	–
Zurich, Oleanderstrasse 1	33	–	sole ownership bought 11.05.2022			1354	1360	–	–	–	–	–	100.0
Total building land	**273**	**–**				**78950**	**19431**	**–**	**1.5**	**–**	**–**	**–**	**98.5**

Properties under construction and development sites

Property details as at 31.12.2022							Overview of type of use						
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m^2	Total m^2 commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Basel, Hochbergerstrasse 60/Stücki Park	4 186	–	sole ownership			10 222	11 982	–	56.8	0.2	–	43.0	–
Basel, Steinenvorstadt 5	764	–	sole ownership bought 15.05.2022	1980		511	4 246	62.6	10.0	–	–	26.5	0.9
Berne, Stauffacherstrasse 131/Bern 131	–	–	sole ownership bought 24.10.2022			8 237	–	–	–	–	–	–	–
Lancy, Esplanade de Pont-Rouge 5, 7, 9/Alto Pont-Rouge	–	–	sole ownership with 14/100 co-ownership			5 170	–	–	–	–	–	–	–
Olten, Solothurnerstrasse 201a/USEGO-Park[6]	–	–	sole ownership			4 429	–	–	–	–	–	–	–
Paradiso, Riva Paradiso 3, 20/Du Lac[6]	–	–	sole ownership partial land lease			3 086	–	–	–	–	–	–	–
Plan-les-Ouates, Route de la Galaise 11A, 11B/Espace Tourbillon building A[7]	–	–	112/1000 co-ownership			–	–	–	–	–	–	–	–
Schlieren, Zürcherstrasse 39/JED	6 269	0.1	sole ownership	1992/ 2003		18 787	20 634	–	76.7	9.9	–	9.0	4.4
Schlieren, Zürcherstrasse 39/JED Neubau	–	–	sole ownership			7 897	–	–	–	–	–	–	–
Zurich, Müllerstrasse 16, 20	41	–	sole ownership	1980		3 864	–	–	–	–	–	–	–
Total properties under construction and development sites	**11 260**	**0.1**				**62 203**	**36 862**	**7.2**	**62.5**	**5.6**	**–**	**22.1**	**2.6**
Overall total	**467 996**					**1 259 138**	**1 653 456**	**16.9**	**41.4**	**7.0**	**8.3**	**22.3**	**4.1**

[6] Trading properties
[7] Sale of 265/1000 of building A in 2022, remaining 112/1000 of building A are trading properties

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Swiss Prime Site's property portfolio will be climate-neutral by 2040. That's a promise.

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